EUROPE'S BUSINESS NEWSPAPER

No. 30,486

Friday March 11 1988

D 8523 A

### World News

### Kemp quits Republican presidential contest

### Reagan discusses

Panama sanctions President Rouald Reagan called a meeting with his senior foreign policy advisers to review possible economic moves against Panama aimed at helping oust military leader Manuel Antonio Noriega.

Page 20
Meanwhile the Roman Catholic
Church said it would distribute free food to Panamanians left without cash because of closed banks. Anti-Yankee sentiment,

### ttalian budget

The Italian parliament passed the 1988 budget yesterday paving the way for the expected resignation of the five-party coalition govern-

### Prince in avalanche

Prince Charles, heir to the British throne, narrowly escaped injury when an avalanche hit his skiing party on a Swiss moun-train slope and killed a close friend who was a former royal

### Gulf barrage ends

The long-range missile barrages between Iraq and Iran looked as if they had come to an end with both sides clearly exhausted by 11 days of reciprocal bombard

### Suharto disruption

President Subarto of Indonesia was re-elected unopposed for a fifth consecutive term. The cere-mony was disrupted when a senior army officer took to the podium and criticised the way the contest for the vice presidency was being handled. Page 8

### Airline AIDS tests

Scandinavia's SAS airline introduced compulsory AIDS tests for pilots applying for jobs. "Pilots must be 100 per cent fit," a man said.

### Earthquake in Trinidad An earthquake registering 6.9 on the Richter scale shook buildings

in Trinidad but caused no damage or injuries.

### Arms embargo charges Six people, including Ferdinando

Borietti, a member of the main board of the Flat Group and for-merly president of one of Italy's leading arms manufacturers, were arrested on suspicion of illegally exporting weapons to Iraq.

### Lhasa show of force Trucks carrying Chinese armed

police drove through the streets of the Tibetan capital, Lhasa, in a show of force while in Peking senior party officials met to reconsider their Tibetan policy.

### Malaysian MP held

Prominent Malaysian opposition MP Karpal Singh was re-arrested by police hours after he had been granted a writ of habeas corpus from the high court against his 414-month detention. Page 3

### N-waste records

The European Commission was considering new rules for the labeling and control of radioac-tive waste as a result of a row over allegedly faulty records of the transport of nuclear material in and out of the Mol reprocessing plant near Antwerp. Page 2

### Anti-terrorism pact

Companies .

A new international convention against terrorism at sea was agreed by 76 countries meeting under the auspices of the UN International Maritime Organisation. Page 2

### Business Summary

### Wall Street suffers sharp loss amid heavy selling

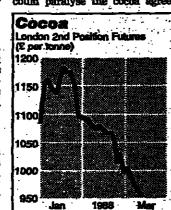
US Congressman Jack Kemp of New York – the football quarter-back who became the standard-bearer of the Reagan tax-cutting revolution – withdrew from the Republican presidential race after a series of fourth-place finishes. Page 4

WALL STREET suffered its big-gest loss in seven weeks as a wave of selling overwhelmed the stock market late in the day. The Dow Jones industrial average fell-gest after a series of fourth-place finishes. Page 4

Traders said an onslaught of programme trading, concern over the jump in oil prices, and heavy selling in certain takeover stocks were among factors that weakened the market. Profit-taking was also present, they said. Page

MARVIN DAVIS, sometime Denwarvin Davis, sometime Desiver cilman and former owner of.
Twentieth Century-Fox, made a bid to get back into the film business with an offer of \$780m for Lorimar-Telepictures, Hollywood's biggest maker of television programmes. Page 21

COCOA: Delegates to the Interna-tional Cocoa Organisation (ICCO) met in London in a last ditch effort to resolve problems which could paralyse the cocoa agree-



ment. The second position

12.43 points higher at 25,617.62. Page 42

LONDON: Continued strong demand for British Petroleum, this time from the Kuwait Investment Office, again helped push the market higher with the FT-SE 100 index closing 19.3 up at 1,834.6. Page 38

DOLLAR closed in New York at DM1.6640; Y127.95; SFr1.8780; FFr5.6675. It closed in London at DM1.6650 (DM1.6680); Y128.16 (Y128.0): SFr1.3790 (unchange and FFr5.6675 (FFr5.6500). Page

STERLING closed in New York at

\$1.8470. It closed in London at \$1.8425 (\$1.8475); DM3.0675 (DM3.0825); Y236.0 (Y238.50); SFr2.5400 (SFr2.5475); and FFr10.4425 (FFr10.4375). Page 31

MOBIL, US energy group, said it intended to sell another \$500m of assets this year in addition to this week's sale of the Montgomery Ward retail chain in a deal

RELL HELICOPTER Textron. US defence contractor, has agreed to pay the US Government \$80m in

one of higgest-ever settlements of questionable billing practices. Page 20

PIRELLI, Italian tyre group, is seeking a \$2.3bn financing to back its \$1.93bn hostile takeover bid for Firestone Tire and Rubber

ROVER GROUP, UK state-owned automotive concern facing a pos-sible takeover bid by British Aerospace, achieved a small operating profit last year for only the second time in the last decade. Lex, Page 20; Page 21

TEXACO, large US oil company which is planning to emerge within the next few months from Chapter 11 bankruptcy, said it was close to arranging a \$50n bank credit to help finance its reorganisation. Page 21

CONTENTS:

### Embattled Waldheim apologises for Austrian crimes

MR KURT WALDHEIM, the embattled Austrian President, last night apologised for the crimes committed by Austrians during the Second World War, report by an international commission of historians which affected all generations, in white foth anniversary of the Austria by Nazi Germany in March 1938, said a new morality war. needed to overcome the crisis of confidence felt by many Austrians to do with it. Yet I would like, as today.

Mr Waldheim made his speech ask me what happened in 1938. We have to give answers in order to overcome the crisis of confidence which affected all generations, in Mr Waldheim said. He recalled how his father lost his job and was arrested by the Gestapo. But, he said, there were Austria by Nazi Germany in the calls for his resignation.

He said, however, that "there will be said, howeve

Sock market late in the day. The later latiful by market late in the day. The later latiful by market late in the day. The later latiful by market late in the day. The later latiful by later la

in him."

Mr Waldheim described those days in March 1938 as a "mass psychosis, as it can only be in totalitarian regimes. Today we know we have to be alert to the first signs of intolerance and fanaticism. Today we know where first the first signs of intolerance and fanaticism. Today we know where first steets between between the control of the cont where fanaticism, hatred and vio-lence lead to."

Mr Waldheim briefly referred

# Earlier in the evening, Mr Hel-

mut Zilk, the mayor of Vienna, delivered a lengthy speech in the city's town hall which dealt with Austria's past and the persistent anti-semitism.

"Those societies or individuals who forget their history are doomed to suffer through their

and abominable aspect of our

Seagram buys

out Tropicana

SEAGRAM, the world's largest Beatrice dropped First Boston

for \$1.2bn

BY JAMES BUCHAN IN NEW YORK

to the Holocaust which he described as "the greatest tragedy in world history" and which quickly turned on their victims "swallowed up our Jewish to persecute political dissenters countrymen and people with dif-ferent political views."

The persecute political dissenters — but most of all, Jewish Austriferent political views."

He praised the country's resis against criticising those who did not join the underground move-ment. "Only a boundless, self-righteous present can reproach a past generation for a lack of heroism."

Today, Mr Franz Vranitzky past again."

the Austrian Chancellor, and Mr

He criticised Austria's "disAlois Mock, the Vice Chancellor,
graceful anti-semitic tradition" will give speeches at the Hofburg,
which, he said, "represents a sad the President's official residence.



Mikhail Gorbachev

goes marching

on, Page 18

### **Takeshita** stumbles over tax reform

By Ian Rodger in Tokyo THE PROSPECTS for Mr Noboru Takeshita's term as Japanese Prime Minister look suddenly dimmer following the Government's latest reversa over its tax reform plans. Mr Takeshita, the man who

was supposed to be able to win consensus and implement change where his predecessor, Mr Yasuhiro Nakasone, failed had looked surprisingly inept

in this episode.

On Tuesday, following six days during which the opposition parties stalled parliamentary business, the Government gave in to their demands for the country of the countr tax cuts worth Y2,900bn (\$22.6bn) in the fiscal year beginning next month. The Government had been trying to win opposition agreement on wide-ranging tax reforms in exchange for the tax cuts. These would have included

the introduction of a value added tax (VAT) and, of special interest to the UK, the reform of liquor taxes. In the end, however, the Government apparently won little or nothing in return for the tax cuts. Political observers in Tokyo say this means that tax reform, one of the main planks in Mr Takeshita's platform, could be postponed indefinitely.

If so, they say it would be difficult for him to win the endorsement of the ruling Liberal Democratic Party (LDP) two-year term as party presi-dent and (consequently) Prime Minister ends in the autumn of 1989. Also, if, as some analysts suspect, he was entertaining thoughts of holding parliame tary elections next year in the hope of winning a popular mandate, that also looks less likely.

The agreement reached on Continued on Page 20 Japan goes public, Page 10

# line for \$25m Boesky payout

BY LISA WOOD AND MIKK! TAIT IN LONDON

GUINNESS, the drinks group which under its former management was the largest single equity investor in the controversial arbitrage fund run by Mr Ivan Boesky, stands to receive at least \$25.5m from the US insider trader's former investment fund. Cambrian & General Securities, the UK investment trust formerly owned by Mr Boesky, also amounced yesterday that it was in line to receive \$5m in a distribution among the limited partners of CX Partners, formerly ivan F. Boesky & Co L.P.

ners of CX. Partners, formerly Ivan F. Boesky & Co L.P.
Guinness and Cambrian & General Securities were among the 43-investors, mainly American, in the \$338m fund, set up in March 1986. The Guinness investment totalled \$160m:

The fund, now known as CX.

Partners, has been frozen by the

ment. The second position fitures contract closed 23 down at £355 (\$1,757) a tonne, a fall of £355 position partners.

would get an initial net amount the distribution may be subject of \$25.5m under the proposal to US tax and other contingencies.

Guinness said further distributies.

tions might be received in due Cambrian — in which the SEC course, but the amount and time now holds 12.68 per cent of the ing was uncertain. The distribution ordinary shares and 54.6 per cent iton did not bring to an end any of the capital shares — also litigation against Mr. Boesky perpointed out that the distribution somally, Guinness added.

The company made full proviman and Farnsworth.



on receiving the necessary tings.

On receiving the necessary tings.

Cambrian said yesterday that approvals, Guinness said that it Cambrian said yesterday that would get an initial net amount the distribution may be subject

subsidiary, Farnsworth and Has-

### **IBM** agrees to allow Ferranti use of its PCs

IBM, THE world's largest computer manufacturer has agreed to supply Ferranti International of the UK with its latest range of

the UK with its latest range of personal computers to be incorporated into complete Ferranti computer systems.

It is the first time that IBM, the market leader in personal computers, has allowed its equipment

SEACKAM, the world's layest section and spirits company, yester as its adviser when it was forced to abandon an ambitious plan to a sell its \$50n sales US food division to a single domestic or European food group after the stock market leader in personal computers, has allowed its equipment market leader in personal computers, has allowed its equipment to be marketed under another manufacturer's name and marks a radical departure from its usual business practice.

The new TRM

The new IBM range, known as the Canadian company access to a fast-growing market for premium-priced orange juice, which Tropicana dominates pany as the Ferranti IS2000, but only as part of complete systems intended to control, for example, gas or oil utilities. The agreement is for two years in the first instance. Neither company would comment on the value of the

Such agreements, known as "original equipment manufac-turer" (oem) deals, are common in the computer industry, but

copying its designs, will now use every available route to establish PS/2 as the new stands

The move is as radical as the company's use of dealers rather than its direct sales force in the early 1980s to sell its PCs. it also marks a new level of intensity in the personal com-puter war between IBM and man-efacturers committed to develop ing a competitive design of

'Continued on Paste 20

# long-term decline. Yesterday's announcement caused a stir on Wall Street because it was the first transaction for Wasserstein Perella, the pany sells the only big branded fledgeling investment banking orange juice not made from confirm set up last month by rebel centrate and can exploit the First Boston financiers Mr Bruce ready-to-serve market, which is believed to make pre-tax profits of around \$60m on sales revenues of \$700m. But they because it was the first transaction or and the long parts of the profits of around \$60m on sales revenues of \$700m. But they because it was the first transaction or and the long parts of the profits of around \$60m on sales revenues of \$700m. But they because it was the first transaction or an around \$60m on sales revenues of \$700m. But they because it was the first transaction out that the Florida company sells the only big branded orange juice not made from confirm set up last they because it was the first transaction or an around \$60m on sales revenues of \$700m. But they because it was the first transaction or an around \$60m or sales revenues of \$700m. But they because it was the first transaction or an around \$60m or sales revenues of \$700m. But they because it was the first transaction or an around \$60m or sales revenues of \$700m. But they because it was the first transaction or an around \$60m or sales revenues of \$700m. But they because it was the first transaction or an around \$60m or sales revenues of \$700m. But they because it was the first transaction or an around \$60m or sales revenues of \$700m. But they because it was the first transaction or an around \$60m o

Swedish forest sector plan

which last month won a hard-

fought \$925m battle for Martell of France, liquor makers, has been moving away from its traditional base in blended whiskles and other brown liquors, a market in

kong term decline

BY SARA WEBB IN STOCKHOLM e Swedish fleres competition from makers industry appeared under way last ska Callulosa from its position as

major pulp and paper groups, said it was in the final stages of sain it was in the infall stages of talks with Iggesund, its paper board affiliate, and Holmen, Europe's leading newsprint pro-ducer which it has controlled since last year, sined at creating a "new force" in the forest prod-

The new diversified group

# preted the deal with Ferranti as ANOTHER big restructuring in would have annual sales of about

became difficult for a single potential buyer," said Beatrice, which is in the process of liquida-

tion by a group of investors led by Mr Donald Kelly. Mr Kelly is expected to sell the remaining Hunt-Wesson tomato sauce and oil business remaining

after disposals, but to retain

Swift-Eckrich, a Chicago maker of processed meats, as a nucleus

Analysts said that Seagram was paying a full price for Tropi-cana, which is believed to make

night. Sweden's number tw MoDo, one of the country's products group, it said. Sweden's number two forest

The amouncement came a day after Stora, the leading forestry group, made a SKr5.9bn hid for Swedish Match, as part of a move from dependency on pulp and paper towards a broader product

Other Swedish forest products companies have also been buying Continued on Page 20

# Moscow refuses to compromise on issues blocking Afghan deal

BY WILLIAM DULLFORCE IN GENEVA

an agreement on the withdrawal issue — the timing and mechanof its troops from Afghanistan.

Moscow, increasingly amoyed had been settled.

He also said a demand that blocks — the coalition governstalling on a settlement by Pakistan, took the unprecedented step of calling a press conference in the cessation of US aid to the
Geneva to express dissatisfaction at the cessation of US aid to the
Mighideen resistance amounted issue, he said that under its "contine leaving the Afghan delegathan leaving the Afghan delegathan to present the public side of the Soviet Union and Afghanstan.

The Soviet Union and Afghancall for help even military assis
The Soviet Union and Afghancall for help even military assis-

THE SOVIET UNION yesterday He said it was "very surpris. Mr Kosyrev has had direct refused to compromise over the ing" the talks had been bogged meetings with Mr Robert Peck, two issues blocking signature of down for a week after the key US deputy assistant secretary of an agreement on the withdrawal issue – the timing and mechanic state, who is also in Geneva, but

then to present the public side of the Soviet Union and Afghantitan, the the first time the Soviet Union and Afghantistan, the the first time the Soviet Union and Afghantistan. It is the first time the Soviet The Soviets have said they will call for help even military assistant. The Soviets have said they will call for help even military assistant in Geneva in the six years of indirect negotiations between the ment, will remove half their estimated Nations auspices.

Mr Nikolai Kosyrev, the Soviet make a progress towards agree in the six years of indirect negotiations between the ment, will remove half their estimated Nations auspices.

Mr Nikolai Kosyrev, the Soviet drawal in nine months. Mr Mikolai Kosyrev, the Soviet minds and complete the withmake a progress towards agree in the Soviet statements in Geneva are clearly intended to the signing of the agree. This would not mean the return of Soviet troops, he added. The Soviet statements in Geneva are clearly intended to step up pressure on Pakistan and, indirectly, on the US to make a progress towards agree in the Soviet withdrawal would begin the Soviet withdrawal within 90 and the soviet statement of Soviet statements in Geneva are clearly intended to the signing of the agree. This would not mean the return of Soviet troops, he added. The Soviet statements in Geneva are clearly intended to make a progress towards agree and the soviet statements in Soviet within 90 and the soviet statement of Soviet statements in Geneva are clearly intended to the signing of the agree. This would not mean the return of Soviet troops, he added. The Soviet statement in Afghanistan, the soviet within 90 and the progress towards agree and the soviet within 90 and the soviet within 90 and the soviet within 90 and the soviet statement in Soviet within 90 and the soviet statement and soviet within 90 and the soviet statement in Soviet within 90 and the soviet statement in Soviet within 90 and the soviet statement in Soviet statement in Soviet within 90 and the soviet statement in S

by linking the Soviet pullout Soviet withdrawal would begin list night denied a report from with the formation of a transion. May 15 if the Geneva agree list night denied a report from Islamabad that Mr Diego Corticol coalition government in Kabul, Pakistan was preventing the disentanglement in Afghanistan which had been envisaged as a first breakthrough in resolving the regional conflict.

A UN spokesman in Geneva list night denied a report from Islamabad that Mr Diego Corticol in the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, as first breakthrough in resolving the regional conflict.

Soviet matter that the A UN spokesman in Geneva list night denied a report from Islamabad that Mr Diego Corticol invited representatives of the Mrightideen resistance to Geneva, to discuss formation of a coalition government. In Afghania and Invited representatives of the Mrightideen resistance to Geneva, to discuss formation of a coalition government. In Afghania and Invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the UN mediator, had invited representatives of the Mrightideen resistance to Geneva, the Mrightideen resistan

Jean-Marie Le Pen, who has had little success so far with his anti-immigrant stance, Page 20 Management: How Saab created the art of Technology: Japan goes public with appear Lombard: John Plender on delusions of inde

Cheahire: Survey . London property: Survey

Cambridge is special Spectacular high-tech growth 18,500 high-tech jobs

Facilities galore

Brochu available

400 high-tech companies £1 billion high-tech turnover International importance

> # Britain's No. 1 Science Park #70 companies so far # Largest and still growing # Fledglings to multi-nationals # Units from 500 sf to 100,000 sf

# Extensive University liaison # Bar, conference rooms, squash courts A major developmen **Trinity College** 



Bidwells, Ref HCB, Trumpington Road, Cambridge Tel: 0223 841841

# Companies World Trade . Britain .

. **2**1 Intl. Capital Markets Technol Unit Tra



FRENCH POLITICIANS STEER CLEAR OF

help less well off . Editorial comment Austria's new challer Merger control in Europe

> Section III Section IV

> Lex Costs Viyelis; Ladbroke; Rover Group . 20

# MEPs throw EC Beaming phantom candidate teases journalists and rivals alike insurance reform plans into chaos

could be delayed for six months ment does not want to make any or more by an unexpected consti- changes to the insurance schem

that the long-delayed scheme had at last been adopted thanks to the efforts of the West German as a simple plot by the Parliament to see how far it can push isters, the main decision-making body. The plan, allowing insurers of big commercial risks to do business in other member states without setting up offices there, was proposed by the Commission in 1973, but not adopted until last vess.

Other EC officials are sceptical on that point. They see the move as a simple plot by the Parliament to see how far it can push its new powers.

Under pre-Single European Act rules, the non-life insurance directive would now be ready to business in other member states without setting up offices there, be turned into national law, having been through one parliament tary reading in 1978. But the Assembly is saying, in a letter to

in 1973, but not adopted until last year.

Now the Strasbourg Assembly is saying, in a letter to the Council, that the proposal has changed so much since then process start again in what it sees as an important test case of the new powers accorded to it under the constitutional reforms in the Single European Act, ratified last summer. It is demanding extra consultations under provisions in the act that the Parliament could be within extra consultations under provisions in the act that the Parliament could be within extra consultations under provisions in the act that the Parliament could be within extra consultations under provisions in the act that the Parliament could be within the Assembly is saying, in a letter to the Council, that the proposal has changed so much since then whole legislative process again. This means it whole legislative process again. EC officials acknowledge that the Parliament could be within its legal rights. The insurance scheme is among 13 long-delayed directives which the Assembly is saying, in a letter to the Council, that the proposal has changed so much since then constitutional reforms in the Single European Act, ratified last summer. It is demanding extra consultations under provisions in the act that the Parliament could be within its legal rights. The insurance scheme is among 13 long-delayed directives which the Assembly is saying, in a letter to the Council, that the proposal has changed so much since then council, that the proposal has changed so much since then constitutions are changed so much since the council, that the proposal has changed so much since then council, that the Coun

AMBITIOUS plans to create a MEP chairing the parliamentary free market for non-life insurance committee responsible. Curi in the European Community ously, it might seem, the Parilatutional wrangle over the extent But it lears the proposals could of the European Parliament's be challenged in court by some powers, say EC officials. 

rather than once.

"Not only do we have a right to be consulted, on this, but we have a duty to give our opinion," of them except the insurance said Lady Ellis, the Conservative scheme should be scrapped.

technical and economic issue

pean Commission and the For-

# Israel sanction puts **Brussels in quandary**

LEADERS of the European Com- international censure of Israel munity were yesterday pondering since the Palestinian unrest their next step after the Euro-pean Parliament's unexpected A mild Foreign Ministry state pean Parliament's unexpected refusal to approve new economic accords with Israel in protest at Israeli actions on the West Bank aged "to separate an essentially

and Gaza.

Officials of the Council of Ministers' secretariat, the civil service in Brussels, said they were taking legal advice on what to do.

Officials from both the Eurotaking legal advice on what to do. Renegotiation of the EC-Israel agreements does not seem to be eign Ministry acknowledged year immediate option because the terday that the Parliament's Parliament was objecting not to action had taken the fate of the, the agreements' content, but to Israeli policy in the occupied territories.

In Jerusalem, the Israeli Government responded in conciliation of the substance of its contents. "No

tory tones to the European Parone disputes the terms of the
liament move. It hoped the
agreement, lowering duties on a
wide range of farm produce,
would soon be resubmitted for is that the agreement will be sent

East Germany said it had 4 per cent growth last year compared with a target of 4.5 per cent. A West Berlin economics institute

noted, however, that growth was closer to 3.6 per cent. East Germany's leader, Mr Brich Honecker, recently exhorted industrial managers and their controlling ministries

ed that the more complex the East German economy became, the more difficult it was to control company results from

results did not improve measurably this year, he said, pressure would grow on Mr Honecker to other Comecon countries.

The officials spoke ahead of the opening next Sunday of the Lenzig Fair, the largest East-West trade exhibition. East Ger-many and its Comecon partners continue to suffer from the fall in

PRESIDENT François Mitherrand
went back to his political roots
yesterday by paying an official
visit to his old constituency of
Château-Chinon in Burgundy.
Some 400 journalists, photographers and television crews from all over the world had gathered in the small town in hopes that
Mr. Mitterrand would finally announce, as he did here seven mayor until his election in 1981.

The lineared around the frantisin years ago before the 1981 presi- He lingered around the fountsin dential election, his decision to chatting amiably to journalists run for a second mandate at the and local dignitaries, looking Elysée. pleased at the inevitable fixed of Elysée.
Adding to the suspense, Mr

questions about his plans. Mitterrand, who has infuriated But he remained his enigmatic his opponents on his right by refusing so far to disclose his intentions, arrived half an hour late. After he stepped from his helinot copter, a convoy of gendarmes many still hoped that the President would drop a hint.

No such half a hint. ing centre at Chateau-Chinon

surprise and undisguised plea sure that so many people had turned up to attend the occasion. "I'm sure this sort of gathering doesn't happen every day at Cha-

tean Chinon," he said. But even the mayor, his friend Dr Rene-Pierre Signe, failed to squeeze out the smallest indication of his intentions. Mr Mitterrand simply answered: "For today, let's just keep everything

Mr Mitterrand made it clear he intended to turn his visit into a nostalgic pilgrimage to his old haunts. This is an occasion to see old friends and pick up the strands of old conversations," he said. After all, Mr Mitterrand No such luck. In the gymna- first became a member of parita-

Elyste. Château-Chinon has become for Mr Mitterrand what Colombey-les-deux-Egliaes was for Gen-eral de Gaulle. Mr Mitterrand

always used to stay at the local inn, the Vieux Morvan, where he was a close friend of the owner, Jean Chevrier, who died last December, For nearly 40 years, he always had a room perma-nently at his disposal at the inn. His election to the Elyses gave the town instant fame. But not content with this, Mr Mitterrand set up a museum at Château-Chinon to mark his seven year presi-dential term. Today, more than 160,000 people have already visited the "Musée du Septenant" where the President's official

a Citroen traction-avant," said one local in a cafe in the town centre. "It's funny to see him arrive in a helicopter now,"

exercise in nostalgia and folklore. It was a polished political performance by a man who has invented a new form of political campaigning in France by pre-tending not to be campaigning at all Even though Mr Mitterrand has yet to declare himself offi-proposing a whole string of cially, the socialists are already setting up for their condidat implicite, as he has become known, a special campaign headquarters in a building in the Rue Franco-Russe near the Eiffel Tower in Paris.

sium where he decorated a few ment by winning the Châteaulocal citizens, Mr Mitterrand's non-committal
made a short speech expressing on it until his election to the
driving round the countryside in
rent campaign is causing not only mustration among journalists but rage among his opponews on the right, intensified in the last few days when Mr Lionel But yesterday's visit to Jospin, the socialist secretary Chatego-Chinon was not just an general, compared him with General de Gaulle.

So far, Mr Mitterrand's strat egy seems to be working. While his two opponents on the right, mond Barre, have been strugsocially progressive reforms, all Mr Mitterrand has had to do to command the headlines is to appear in public as the condidat dictie and say absolutely nothing, as he did yesterday at

## E German economy encounters

trouble

EAST GERMANY'S highly planned and until recently dynamic economy has run into serious growth problems.
East European economics officials said 80 per cent of East Germany's giant Kombinate (industrial trusts) failed to fulfil last year's plan targets.

"The economy had zero growth in real terms last year," one East European trade co-ordinator in

to speed up investment projects, noting that last year's perfor-mance was "unsatisfactory." The East European economist

the centre.
"Until now their answer was simply to introduce new controls but this no longer appears to work," one expert noted. If

wide range of farm produce, dor in Tel Aviv. The expectation would soon be resubmitted for is that the agreement will be sent hard currency earnings derives ratification.

The Parliament's failure to back to the Council of Ministers, which will then resubmit the document of their hard currency earnings derives from selling oil to the West.

East German trade with West Germany fell 5 per cent last year to DM14.50m, after a drop of 9 per moment.

### Hungarian reformer fighting on two fronts MR IMRE POZSGAY, the popular Hungarian Communist reformer, typically found himself squeezed last week between the opposition, which he wants to engage in a ist country whether they like it or not. We will remain an ally of the Soviet Union, like it or not," Mr Banyasz cautioned. He spoke disparagingly of a "very small

dialogue, and the conservatives

in the party leadership, who thoroughly distrust him.
"I am constantly fighting on two fronts," Mr Pozsgay, leader of the People's Patriotic Front (PFF), commented at the party's headquarters on Budapest's Danube Embankment.

Intil recently, the PPF was

Until recently, the PPF was just another East European national, front organisation whose main role was to organise entirely predictable elections. But the Communist leadership of Hungary under Mr Janos Kadar is faced with a serious eco- but in a rented hall, where it

vatives in the Polithuro.

They were angered when he urged the authorities not to interfere with a scheduled meeting last week of the Embankment Club, one of many spontaneous discussion clubs which have arisen in Hungary. The PPF had been provided in an interview last week discussion clubs which have arisen in Hungary. The PPF had previously refused the club persists of the many of them prominent Hungar arises in Hungary. The PPF had backgrounds, packed Budgett's backgrounds, packed Budgett's backgrounds, packed Budgett's last week that the organisans of the Forum meeting had in fact prohibited many of them prominent Hungar in fact prohibited many meeting had in fact prohibited meeting in its rooms, pending "political authorisation" from above.

Some 30 speakers sharply critical on those attending to resist the opponents of the reforms. The Prime Minister, Mr Karoly Gross, and other Hungarian officials, he said were ready to discuss about several members of the province of the reforms. The prime Minister in an interview last week that the organisers of the form many of them prominent Hungar.

The Hungarian Government spokesman, Mr Reszo Banyasz, insisted in an interview last week that the organisers of the form a long time. The Hungarian Government in the many of them prominent Hungary. The Prime Minister, Mr Karoly Gross, and other Hungarian Government. The form a long time. The Hungarian Government in the many of them prominent Hungary. The Prime Minister, Mr Karoly Gross, and other Hungarian Government. The form a long time. The Hungarian Government in the many of them prominent Hu

opposition who attended the pre-Forum's organisers said many vious meetings. Despite what Mr more sympathisers would have Pozsgay called a "catch 22" situa- attended the gathering had the tion, the club, however, met last party not warned their members



Leslie Colitt, recently in Budapest, reports on an effort to open channels for dialogue

nomic situation and a deeply suspicious population. "The party's arty."

authority," Mr Pozsgay notes, "is Mr Pozsgay also approved a very small and it is widely mis in a Budapest theatre last Sunday of the Forum of Demi

In order to gain a semblance of support for the party's economic rights organisation.

austerity programme, Mr Kadar agreed to allow Mr Pozsgay, who is a member of the central committee's "inner circle," to organise a nationwide debate on previously taboo political issues.

He was also encouraged to include citizens who are severe of fear, he believes, that it would critics of the party. On both lose its independence. Afterwards scores, Mr Pozsgay has already gone too far in the eyes of conservatives in the Polithuro.

They were angered when he

firmed the worst fears of party conservatives. It called for a "rad-ical" reform of the Communist system and the abolition of the present uncontrolled "monopoly

Hungary, it said, needed a dem-ocratically elected parliament which was responsible to the lectorate. To this end a new lectoral law was to be drafted.

The only official reaction was from the Government newspaper, Magyar Hirlap, which claimed the statement contained nothing new and that the questions dis-cussed had been publicly debated for a long time.

Task you is this democratic? my own personal fate."

Asked what he would do if his reforms my own personal fate."

Asked what he would do if his reforms goals were through the party, Mr Possay reflected cials, he said were ready to discuss "any ideas to improve this "they would become the goals of society and Government." But those who did not want such a "Then I would discuss the coposition."

group" in the opposition which believed that the "worse things got" in Hungary, the better it

was for them.
By contrast, Mr Pozsgay
stressed that if the party tried to
preserve its "present positions of
power and methods" then it
would be mable to renew itself. "If the party can guide the masses to modernise the country, then it will have the leading role," he said. "If not, it won't." Pluralism, Mr Puzzgay emphasised, must begin with the party, whose members, rather than the central committee, should elect the head of the party. Such a

but seven of the participants and the head of the party. Such a issued after the meeting congrass-roots, horizontal structure firmed the worst fears of party of the party was attempted in conservatives. It called for a "rad- Poland during the Solidarity era ical" reform of the Communist but was throttled by the Polish Mr Pozsgay cantioned, how-ever, against a situation in which

Hungary could become "destabil-ised" as happened in reform-minded Czechoslovakia in 1968. "This is why we need a dis-logue between all groups," he explained. "In order to mark the imits. The alternative to a dialogue is constant pressure which may have to be suppressed."

His own position leading the reform process, he admitted, was extremely delicate. He dismissed

a view held by some members of the opposition that he was in the pocket of the party.

"Some people think my courage is authorised by the party but, helievs me, it is untrue," he said. "I am not concerned with

those who did not want such a "Then I would fight from a dialogue, he noted, were not genuinely Marxist position welcome" in Hungary.

### announces inquiry into ethnic riots MR MIKHAIL GORBACHEV has

Gorbachev

signalled that problems among the Soviet Union's many nation-alities are of serious concern and that growing of tensions poses a threat to his reforming policies.

The Soviet party leader has told top party officials that "not a single question of perestroiles can be solved without due attention to its impact on ethnic relations." "The progress of perestroika requires the concerted, determined and close knit work of all the working people, representa-tives of all nationalities of the Soviet Union," Tass, the Soviet

news agency, quoted him as say-Mr Gorbachev was speaking at a meeting called to assess the situation in the Transcaucasian republics of Armenia and Azer-baijan after demonstrations and ethnic clashes, sparked by demands that the Nagorno Kara-bakh region be transferred from Azerbaijan to Armenia, led to 34 officially admitted deaths.

The Soviet politburo has agreed to a request by the Armenian party for a commission to examine the reunification demand, and has ordered the central secretariat, the party's execu-tive arm, to undertake a funda-mental study of the accumulated problems in the Nagorno Kara-bakh autonomous region.

The formula falls far short of the Armenian demand while

the Armenian demand while spreading the responsibility for any recommendations emerging from the study among the entire leadership. This suggests the problem is seen by the Kremlin as too serious, and the attendant political risks too great, for any single official to allow himself to be identified with it.

By contrast, last year the Andrei Gromyko, the president, to chair a commission to examine demands by Crimean Tartars to be allowed to return to their

indeed the tone of the communiqué after the meeting – which heard reports by party leaders in both the republics, Kremlin officials who had been on the spot

on February 27 after Mr Gorba-chev told them he would examine "justly." They have threatened to renew their action on March 25,



FINANCIAL TEMES

# Goria government draws towards a close

ted to give the final approval to difficult to predict, even by hal-the 1988 budget today, thus com-pleting the prime task the Gorla Those who wanted to bring

### Nations agree convention on MR FERDINANDO BORLETTI, terrorism at sea

By John Wyles SEVENTY SIX countries meeting under the auspices of the UN International Maritime Organisation yesterday agreed a new international convention against

terrorism at sea. The convention mirrors one drawn up in Montreal more than a decade ago governing the handling of air piracy and hijacking.

Among other things, it guarantees prosecution of those who have committed terrorist acts, against shipping either in the country in which they are detained or through extradition

The signatories are expected to was yesterday elected to the top include all of the western countries, the Soviet Union, Latin in Italian industry, the presidency of Confindustria, after and dency of Confindustria, after and

Diplomats have been congratu- Carlo De Benedetti. lating themselves on the relative speed with which the negotia- Luigi Lucchini, the steelmaker tions have been completed since who has held the job for the past they began in earnest last year. four years, Most criticism, with The initiative was Italian, taken which Mr De Benedetti identified

The lower house of the Italian Mr Goria's departure will parliament, the Camera, is expectaturch a crisis whose outcome is

THE highly troubled Italian government led by Mr Glovanni Goria will begin to draw to a close this weekend in anticipation of the Prime Minister's resignation in the second half of next week.

The lower house of the Italian cown Christian Democrat party, three weeks negotiating with penser of real power and patron-leaders of his party's most power age as leader of the country's leaders of his party's most power age as leader of the country's emerged that he will be the Christian Democrat candidate for milikely to be accepted by his principal interlocutor, Mr Bettino Cravi, the Socialist leader whose the prime ministerial offices in the Palazzo Chigi.

At the great time the posteric power and patron-great form which it has largest party.

He is already stating terms milikely to be accepted by his principal interlocutor, Mr Bettino Cravi, the Socialist leader whose party could be compared to the country's age as leader of the country's leaders of his party's most power.

He is already stating terms milikely to be accepted by his principal interlocutor, Mr Bettino Cravi, the Socialist leader whose is negotiating with penser of real power and patron-great form which it has largest party.

At the same time, the party's backing is needed for any coalicongress, at which he would be seeking re-election at the end of April, looks likely to be postponed.

But there are still easiers of the Bartisment seeking four years of the Bartisment seeking the full remaining four years.

the 1988 budget today, thus completing the prime task the Goria Government was meant to accomplish when it was put back on its feet in mid-February.

An embittered Mr Goria resigned then because of a string of 17 defeats over budget provisions for which members of his

# Fiat director arrested

a member of the main board of the Flat Group, has been put under house arrest following magistrates' investigations into illegal arms trading and

currency offences.

Mr Borletti, aged 66, was president until last autumn of president until last autumn of Valsella Meccanotecnica, a Brescia-based manufacturer of mines, 50 per cent owned by Flat, which has been at the centre of an inquiry into ille-gal arms trading with a num-

mitting any illegal actions,



# Clash of titans on industry post

Mr De Renedetti was reported as complaining that he had learned only from newspapers that Mr Pininfarina had emerged from a sounding process as the first choice for the presidency. "He is a gentleman, but not a strong man," he said of the designer from Turin before

but resigned because of differ exchange rates at the same time. ences over strategy with his of the EMS rate mechanism,

# of £ rise'

By Our Foreign Staff

THE Bundesbank did not take part in the UK's recent decision to allow sterling to rise against

to allow sterling to rise against the D-Mark but was involved in earlier rounds of open market intervention, Mr Karl Otto Pohl, Bundesbank president, said yesterday.

"It was the UK government's own decision," Mr Pohl told a news conference. He added that the Bank of England had earlier bought considerable volume of D-Marks with the Bundesbank's agreement. The pound had held within a

narrow DM2.95 to DM3 range for nearly a year until last Monday, when the Bank of England stopped resisting upward pres-sure. Sterling is currently trading just below DM3.07 marks. Mr Pohl was reluctant to comment specifically on the meaning of sterling's movement for continuing international agreements to stabilise exchange rates and coordinate economic policies. But he did point out that a key But he did point out that a key ingredient of these agreements has been consistency in open market currency intervention.

He said that once a currency trend had been agreed, one central bank should not be selling a particular currency while another was buying the same currency.

currency.

Mr Pohl also declined to comment on what sterling's rise would mean for the pound's much rumoured entry into the exchange rate mechanism of the

### Bundesbank | Dutch women's welfare 'had no part | rights fall foul of treaty

THE European Commission is gium, though labelling was not considering new rules for the me to the standards required in labelling and control of radiosetive waste as a result of the row over allegedly faulty records of by the Brussels authorities the transport of nuclear material within the next few months, will and out of the Mol reprocessing plant near Antiwerp.

Commission invastigations into the control of the control

movement of nuclear waste, said number of barrels of material

reen West Germany and Bel- and national officials.

# Brussels considers tougher rules on N-waste records

a European Parliament Committy brought in for processing and tee of inquiry into irregularities where it came from do not appear at Nukem and Mol yesterday.

He said there was no sign of EC member states meanwhile irregiarities in the mode of ship have asked for legal advice on ment or the containers used in whether the committee should be shipping nuclear material allowed to summon ministers between West Communications and Ball and method officials.

ing plant near Antwerp.

Commission investigations into the transport of waste between Nukem, a nuclear fisel company based in the West Germany town of Hanan, and the Belgian plant showed an inability to track the movement of nuclear waste as generally made by concentrating a large number of barrels of material

movement of nuclear waste, said into a single container of sinder, ment and transport Commiscioner. This one fact gave rise to problem at Mol was that records a range of irregularities," he told a European Parliament Committee of irregularities where it came from do not contain the of irregularities where it came from do not contain the of irregularities where it came from do not contain the or irregularities.

(Syria IRAG

Published by the Financial Times (Europa) Lol., Frankfurt Branch, reponential by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Burlow, R.A.F. McComm, D.F.P. Palmer, London, Vrinter Frankfurter Societaets-Druscheru-Goddi, Frankfurter Societaets-Druscheru-Goddi, Frankfurter Societaets-Druscheru-Goddi, Frankfurter Societaets-Druscheru-Goddi, Frankfurter G.D. Oven, Fistancial Times, Bracker House, C. Camon Street, London ECGP 48Y, 6 The Financial Times Lad, 1988. FINANCIAL TIMES, USPS N 19660, published delly except Sambrys and helidays. US subscription rules 1365.00 per annum. Second-circu post-age and at New York, NY and at additional mailing offices. POSTMASTER, ball athress change to: FINANCIAL TIMES, 44 East 68th Street, New York, NY 18022.

nations as well as all of the Islamic countries, Iraq and Iran included, and Israel.

Assent and Assent and Assent and Israel unusually public disagreement between Italy's two industrial titans, Mr Gianni Agnelli and Mr

Mr Pininfarina succeeds Mr

spent 10 days in prison last September during the early stages of the investigation. He has consistently denied committing any illegal actions, and says that all Valsella exports have been officially sutherised and that the trades under suspicion took place between 1982 and 1985, when he had no direct involvement in the company.

Borletti: arms trade inquiry

to other directly interested MR SERGIO PININFARINA, the nations.

The signatories are expected to was yesterday elected to the top nelli clash was one for the con-noisseurs, since the relationship which he has repeatedly cambetween the two is tinged by paigned for in recent years. It is an interest of approach to business. Mr De Benedetti was Fiat's managing director for 100 days in 1976 but restored how to deal with domestic problems and maintain set but restored how to deal with domestic problems and maintain set but restored how to deal with domestic problems and maintain set but restored how to deal with domestic problems and maintain set but restored how to deal with domestic problems and maintain set but restored how to deal with domestic problems and maintain set but restored how to deal with domestic problems.

they began in earnest last year.

The initiative was Italian, taken in conjunction with Egypt and Austria and with US backing.

All four were involved in 1985 when the Achille Lauro cruise ship was hijacked by four Palestinian terrorists who killed one American passenger.

WIND DAS DEED TO THE PAST HOW THE PAST HOW TO THE PAST HOW THE PAST H

THE NETHERLANDS is considering pulling out of the United Nations treaty on civilian and political rights because it feels it cannot afford to treat men and welfare system.

If women received the same notion of a "breadwinner" as welfare benefits a men it could cost the government Fl 7 bn immediately and another Fl 2bn a year after that.

The current system was supported by a political majority," said Mr Jan de Koning, minister of second of the family since of social affairs. "Equal treat: near a brief on the Netherment is ensured in a reasonably lands' international obligations

of social affaira. "Equal treatment is ensured in a reasonably lands' international obligations
acceptable way in that system."
But that is not how many othsers see it. The European Court of
Justice recently told The Hagne the UN treaty which requires
it must retroactively pay married equal treatment of men and
women jobless benefits and the
Women, to reject certain articles,
Central Council of Appeal, the
Central Council of Appeal, the
to interpret it differently or to
highest Dutch authority on the
welfare system, declared two
Fewer women work outside the
schemes in violation of the 1979 home in the Netherlands than
UN treaty.

UN treaty. anywhere in Europe except Woman's groups argue that Ireland and Spain.

### **OVERSEAS NEWS**

### Chinese reconsider **Tibetan** policy

TRUCKS carrying Chinese armed police were yesterday driven through the streets of the Tibetan capital, Lhasa, in a show of force, while in Peking senior

party officials met to reconsider their Thetan policy. The Panchen Lama, a party approved Tibetan spiritual leader, is at the centre of the delibera-tions. Before Saturday's pro-independence protest, in which per haps 20 people died, communist reformers were encouraging him to take on a higher political pro-

However, the Panchen, who had encouraged lenient treatment of protesters arrested late last year in Lhasa, has attempted to cover his political tracks by announcing that those Thetans should have been "punished severely" and that he was "shocked" by Saturday's demonstration.

The "separatists" had totally misunderstood the Government's policy on Tibet "They regard the central Government's forbearance as a sign of weakness, and a National Commits to a that they are in danger of losing that they are in danger of

anniversary of the Dalai's flight was a reason for the heavy police presence in Lhasa yesterday.

Insee after a failed uprising. The sure to reach a settlement.

Behind the conflict has been own land with the Hill Tracts tribal people displaced.

Manual of 1900. But it also gave They were to receive total compresence in Lhasa yesterday.

Last month, the Panchen condemned Chinese in Tibet for their ignorance of Tibetan culture and was the first to admit that Chinese police had opened fire during the protests last year.

# Importe

from Tokyo.

The figures also show that the US has finally joined the list of countries benefiting handsomely from the opportunities in the Japanese market.

imports last month, at \$14.8bn, were 48 per cent higher than in the same period last year. Some economists said this

Exports too continued to rise, at least in dollar terms, up 17.2 per cent to \$20.2hm, although they were down 1.4 per cent in yen terms. Some

economists believe the resilience of exports is a temporary phenomenon caused in part by the demand for Japanese capi-tal goods for factory expan-sions elsewhere in the world.

General and electrical machines were among the main categories of exports showing growth last month, while the main consumer prod-uct categories, cars and electronic goods, were flat or The overall trade surplus in February fell 26.5 per cent from a year earlier to \$5.2bm.

The trade surplus with the US fell 14.3 per cent to \$3.39bm. Exports to the European Community rose 22.8 per cent to \$3.8bn, resulting in a bilateral trade surplus for Japan of \$1.9bn. Japan's trade surplus with South-east Asian countries totaled \$1.2bn, with synaptic there up 27.2 per cent exports there up 27.9 per cent to \$4.9bn.

### Suharto's re-election disturbed by outburst By John Murray Brown

THE largely ceremonial re-elec-tion of Gen Suharto as Indone-sia's president was disrupted yes-terday when before a packed assembly a senior army officer took to the podium to criticise took to the podium to criticise the way the contest for the vice-presidency is being handled. Brig Gen Ibrahim Saleh complained that the "nomination of vice-president is not being fairly and correctly carried out," before being led away.

The unscheduled interruption by Gen Saleh is the first public display of military disaffection over the issue of President Suharto's running mate, which — for the first time — is to be

 for the first time — is to be settled by a vote of MPs today.

Gen Sudharmono, currently State Secretary and head of Golkar, the government party, is expected to win. However, the decision by Mr John Naro, head of the Moslem United Development Party, to contest the election has thrown the house into

### Malaysian MP re-arrested

By Wong Sulong in Kuala Lumpur

MR KARPAL SINGH, a promiment opposition member of the Malaysian Parliament, was re-ar-rested by police on Wednesday night, hours after he had been granted a writ of habeas corpus from the high court against his four-and-a-half-month detention under the Internal Security Act. He was picked up at a road block as he was driving back to his home state of Penang with his family. The police had earlier abandoned an attempt to re-ar-rest him at the Sikh temple, where he had gone to pray after

being freed by the court.
No reason was given for his re-arrest, but it is understood the authorities still regard him as a

describing the action as "a mock

### Growth of imports into Japan resumes sharp increase THE growth rate of imports into Japan resumed its year-old strong rising trend last month after a slight decline in January, according to customs cleaned figures published yesterday by the Ministry of Finance, Ian Rodger reports from Tokyo. Imports from the US in Febru-ary source to \$3.4bn, 51.9 per cent higher than in February, bew record level and the continuing upward trend showed that Japan's economy is laports from the European Community were up 61.3 per cent at \$1.8hn, while those from South East Asian coun-tries rose 45.3 per cent to \$3.8hn. Overall, Japan's impact last worth at \$1.0hn accomplishing major structural change. One pointed out that the portion of manufac-tured goods in the February import totals reached an all-time high of 49 per cent.

After a long battle, hill tribes seem nearer deal with Bangladeshi Government, writes Alistair Guild

# Chittagong guerrillas come closer to winning peace

The "separatists" had totally misunderstood the Government's policy on Tibet: "They regard the central Government's forbearance as a sign of weakness, assuming that the more violently they riot, the more we shall give in."

The statement is typical of a leader who has attempted to balance the conflicting demands of Buddhism and Communism, but has played a key role in the relaxation of party control over religion.

He is second in rank to the Dalai Lama, who filed Lhasa in 1959 after a failed uprising. The anniversary of the Dalai's flight the reach a settlement.

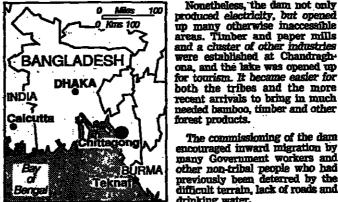
Both sides now appear keen to gettle to get the second the content of settle and settles of secret meetings at the end of last year between tribal leaders and a National Communistic for the Hill Tracks. The High Communistioner in New Delhi, Mr. Faroque Ahmed Chowdhury.

The Shanti Bahimi guerrillas, financed out of the Tk50m (\$1.59m)raised in taxes from any contractor, farmer or businessman operating in the area, are thought to be under some pressure to reach a settlement.

Behind the conflict has been

infil forests took place during the before it was established in 1971) decided that development on such a scale could only proceed if and Animist by faith and Indo-Mongoloid in appearance were isogely non-farming people. But the growth in their populations inside it is essence to bring valley floors under the plough. Practised farmers from the plains around Chitagong were encouraged to settle in the full tracts to farm and cultivate. farm and cultivate. most fertile and extensive valley
The British recognised the floor; 54,000 acres of good farm

Iran-Iraq missile war at end



pensation of Rs40m, though the net value of the area's crop production every year was Rs50 However, even the Rs40m did not all reach the tribes. Some was mismanaged, some misap-propriated. Worse still, the National Committee stresses, there was no coherent, compre

usive programme for the rehabilitation of displaced people.

and a cluster of other industries were established at Chandraghona, and the lake was opened up for tourism. It became easier for both the tribes and the more recent arrivals to bring in much needed bamboo, timber and other forest products. The commissioning of the dam encouraged inward migration by many Government workers and other non-tribal people who had previously been deterred by the

difficult terrain, lack of roads and drinking water. Finally in 1964 the Pakistan Government formally abolished the hill tracts' tribal character, extending the fundamental rights

Both decisions resulted in a sizeable influx of non-tribal peo-ple, sparking anxiety about their ability to retain their individual

Some put out feelers across the border to the neighbouring Indian state of Tripura, seeking support for their cause in arms and money, with limited success. In 1982, President Ershad stopped any further settlement of

non-tribal people in the area while outbreaks of violence prompted many Bengalis to return to their original homes. By 1986 the non-tribal population But now, according to one observer, the fighters are run-

identities. When, in 1975, a parlia-

mentary form of government was replaced with a Presidential one, allowing only one party and ban-ning all but two newspapers, tribal leaders' anxiety once more

ning short of weapons. They once of the rest of the country into the received arms and ammunition through dealers in Bangkok. But closed when the Burmese Communist Party lost control of the

# Arabs target Israeli economy

THE underground leadership of South Africa appeal

South Africa appeal

The vicious exchanges of long-range missiles between lead and Iran, which began on February 29, looked last night as if they had come to an end with state of emergency and restrictions imposed on 18 anti-spartheid groups in February are to be challenged in the Cape Town.

The legitimary of South Africa's state of emergency and restrictions imposed on 18 anti-spartheid groups in February are to be challenged in the Cape Town.

The legitimary of South Africa's state of emergency and restrictions imposed on 18 anti-spartheid groups in February are to be challenged in the Cape Town.

The legitimary of South Africa's state of emergency and restrictions imposed on 18 anti-spartheid groups in February are to be challenged in the Cape Town.

The legitimary of South Africa's state of emergency and restrictions imposed on 18 anti-spartheid groups in February are to be challenged in the Cape Town.

The legitimary of South Africa's state of emergency and restrictions imposed on 18 anti-spartheid groups in February are to be challenged in the Cape Town.

The legitimary of South Africa's state of emergency and restrictions in the South Iraq should make the last bombardment as, Baghdad says, branching the continuous with the Arab uprising in the occupied exchanges with Iraq, saying that and Iraq, which began on February are to be consumed at halting the last of its kind, it urged businessmen that Iraq should make the last bombardment as, Baghdad says, Iraq Iraq overture also seemed Iraq in the Cape Town.

"Except for textiles, sales of merchandise (to the West Bank) have not gone down," he said

In another development, Jewish settlers reacted furiously to remarks by Mr Yitzhak Rabin, the Defence Minister, that the army's task in controlling the unrest would be much easier if it

handle problems of keeping transport lines," he said .

The minister disclosed that between a third and a half of forces deployed in the occupied territories were devoted to the security of the main roads.

On Wednesday night, troops intervened to break up a violent threat to national security. unrest would be much easier if it were not for the 70,000 settlers.

"The problem would be much simpler if all the territory was Arab territory, void of any settle-along a main road between rest. Interest to break up a violent of the arrab of the restant and social groups have condemned the

tions imposed on 18 anti-apartheid groups in February are to be challenged in the Cape Town Supreme Court, Jim Jones writes from Johannesburg. Yesterday four of the groups appealed to the court on the validity of the state of emergency itself and on last month's restrictions, which are said to be too wide.

That Iraq should make the last bombardment as, Baghdad says, Iran initiated the enchanges with two missile attacks on February to reflect concern about the damination of the groups appealed to the court on the validity of the state of emergency itself and on last month's restrictions, which are said to be too wide.

The Iraq overture also seemed to reflect concern about the damination in the prolonged duel.

Baghdad's amouncement was against. Baghdad. By its own of the Bank of Israel, told a press count Iraq has now launched more than 50, acarly all of them against. Tehran. Arab territory, void of any settle-ments. It would be very simple to close off the area, not to have to and nearby Arab villagers. A property service of the service of t He's working with a typical computer system. At the moment, he's putting together a sales analysis. (Who said computers would eliminate paperwork?). The trouble is, computers are good at providing information. They're less helpful, when it comes to using it. A more intelligent approach. At Hewlett-Packard we're developed a different approach, which we call distributed intelligence. This puts more power 'on the desk' in each department. For example, a Sales Manager can call up information from marketing, accounts or a central database, and then enter it directly into his sales analysis. There's no formatting or reformatting, and definitely no print-out. And next month, the job is even easier. Our smart computers can actually remember where the information came from, and how it was used. So they can run an apdated analysis, at the touch of a key. In short, distributed intelligence means better decision-making HE'S GOT ALL throughout your organisation. THE DATA HE NEEDS. It's the result of £150 million of research into how computers think. **BUT HAS HE THE** And it's the sort of breakthrough, you'd only expect from a company INTELLIGENCE TO USE IT? that, each year, spends 10% of turnorer on research and development. For details of how to apply our intelligence, call or write to Chris Heurson at Hewlett-Packard Limited, FREEPOST, Eskdale Rd. Winnersh, Wokingham, Berks RG11 5BR. Tel: 0734 696622. PACKARD A more intelligent approach to computing

### **Brazil** climbs down over bank pay rise

MR Mailson da Nobrega, the Brazilian Finance Minister, as been forced to climb down in his bid to halt a pay rise for 120,000 workers at the Banco do Brasil (BB) — the federal bank that combines both retail and central bank activities.

After dismissing the BB's president, Mr Camilo Calazans, on Monday for authorising the 40 per cent wage increase, offi-cials have found that the rise

cials have found that the rise is legally payable under a Superior Labour Court ruling made last year.

In a face-saving gesture, however, the Government has withheld a 15 per cent bonus, paid to Central Bank employees, with whom the BB's staff warm socking pay parity. were seeking pay parity.
The dispute between the
Government and the bank's

employees is important for its public relations impact in the public relations impact in the latest struggle by Mr Nobrega to contain state sector pay.

Last week he lost a battle with ministerial colleagues to freeze civil service and military pay for three months in an effort to hold down government costs and stem inflation.

The Central Unico dos Trabalhadores, the left-wing union confederation, has warned that it will launch a general strike if there is any tampering with the inflationindexing mechanism introduced last year to protect workers from price rises.

President Jose Sarney was yesterday considering mass dismissals of thousands of civil servants hired after an official recruitment ban imposed in January. Other "extremely drastic measures" were promised by the President last week

### Uruguay 'no' to UK

A British military transport aircraft which made an emer-gency landing in Uruguay on Tuesday night has been refused permission to continue its journey to the Falkland Islands, Tim Coone\_reports from Buenos Aires. Uruguay argued that it wished to remain neutral in the UK-Argentina conflict over the Falk-lands, and that to have allowed the aircraft to con-tinue would have broken that

# Kemp bows out of Republican presidential race

CONGRESSMAN Jack Kemp of read Mr Churchill's words aloud: New York, the football quarter-back who became the standard bearer of the Reagan tax-cutting revolution, yesterday bowed out of the Republican presidential

Mr Kemp, 52, withdrew after a series of fourth-place finishes which dashed his hopes of becoming the conservative alternative to the overwhelming favourite for the Republican Vice President

Mr Kemp vowed to lead the conservative crusade in the future and said that, on the night of his crushing defeat in the Super Tuesday elections, he had drawn inspiration from a note sent by one of his young daugh-ters which quoted the British war-time prime minister Winston

Churchill. there was a remote possibility be
in a choked voice, Mr Kemp,
flanked by his family and friends
in the House of Representatives,
ate seat in New York.

At a press conference in Wash-

ington, Mr Kemp refrained from would support the eventual nominee. He did not expect to be a At about 2am on We vice-presidential running mate, Magistrate Fayne Thompson's he said.

paign. However, he confirmed that, after 18 years, he was giving up his Congressional seat in Buffalo, New York state.

He said he was conferring with his family on his future. He said there was a remote possibility he

### **Shultz cools Congress** criticism of Shamir

BY LIONEL BARBER

MR GEORGE SHULTZ, US Secretary of State, has persuaded members of Congress to stem their public criticism of Mr Yit-zhak Shamir, the Israeli Prime Minister, on the eve of his crucial visit to Washington to discuss the latest American peace initia-

tive in the Middle East.

Mr Shultz – who wants to retain maximum leverage during next week's talks – told House lawmakers that he did not want to box in Mr Shamir and thereby increase his intransigence. own plan to resolve the Arab-Is-At the weekend, 30 US senators raeli conflict.

At the weekend, 30 US senators signed a letter expressing dismay that Mr Shamir appeared to be abandoning the policy of trading "land for peace," which they said had to be part of any settlement of the Arab-Israeli settlement.

Though the letter also criticised the Palestinians and Jordan, it was an unusual burst of public it was an unusual burst of public week, a further sign of US frus-

tration over Israeli measures to curb violence in the occupied territories of the West Bank and Gaza Strip which have led to at least 90 Palestinian deaths. Mr Shultz is aware that Mr Shamir represents probably the most flexible wing of the Likud party, which is philosophically

opposed to giving up the occu-pled territories and which is part of the coalition Israeli government. But he has invested considerable effort and prestige in his Mr Shultz has just returne from a 22,000-mile tour of Middle East capitals to promote the US

### Bahamas hit by drug-related violence

A BAHAMIAN magistrate's car read Mr Churchill's words aloud: was firebombed in Freeport, the "Success is never final, failure is industrial centre of the Bahamas, never fatal. It's courage that on Wednesday, while two men were shot in an aircraft on a tiny cay yesterday morning in an apparently rug-related incident. Two Bahamians were leaving endorsing any of the other Republican presidential candi-dates who include Mr Bush, Sen-ator Robert Dole of Kansas and after midnight when their airthe former television evangelist craft was ambushed on the run-Mr Pat Robertson, but he said he way. It is not known how seri-At about 2am on Wednesday,

Mr Kemp acknowledged he was home. Mr Thompson is perceived as being a hard-liner on drug offences.

cocaine addiction problem. Dr David Allen, who headed the National Drug Council, estimates that at least 10 per cent of people between the ages of 15 and 25 are

Until recently, there was no serious threat to the drug trade in the Bahamas, where widespread corruption reaches to offi-cial levels.

Two cabinet ministers had to resign in 1984 when a commis-sion of inquiry linked them to Colombian and American drug traffickers. The commission stopped short of pointing a finger at the Prime Minister, Mr Lynden Pindling.

### Haitian colonel on drugs charge

A US FEDERAL grand jury on Wednesday charged a Haitian army colonel with helping to snuggle Colombian cocaine into the US, Reuter reports from

From a 22,000-max East capitals to promote the US plan, which envisions an international meeting, a limited period of Palestinian self-rule in the occupied territories and negotiated accupied territories accupied territories and negotiated accupied territories accupied territori indictment against Col Paul was immediately ordered sealed, but in was an initiate to be the was an initiate was prepared to them long-standing supporters of them long-standing supporters of the letter earlier this endorsed the letter earlier this before receiving a definitive wife and his brother of transport-

# Japanese raise EC local content

JAPANESE companies have raised the local content level in their European factories in the past year, apparently in response to pressure from the European Commission and European gov-

The average local content ratio among 191 manufacturers in Europe in which Japanese companies have at least a 10 per cent interest was 55.9 per cent last year, according to a survey by the Japan-External Trade Association (Jetro). A survey earlier in the year put it at 44 per cent.

Jetro said the rapid increase

The measure was designed to

prevent the Japanese from estab-lishing so-called screwdriver plants in Europe that did little imported from Japan. It was alleged that in some cases compo-nents were imported at unfairly low prices to circumvent EC

anti-dumping duties.
This week the EC imposed dumping duties on five Japanese owned typewriter makers in Europe for importing components at unfairly low costs.

was largely in response to the imposition by the Community local between September and December and December are local content ratio of more than 40 per remained the most popular base operating on average for more than 10 years in Europe, had a local content ratio of 72.8 per local content ratio of more than 40 per remained the most popular base.

Japanese companies. Britain has 68 establishments, West Germany 53, France 38 and Spain 33. The survey said the level of sub-contractors. local content varied largely Companies in

was 51.7 per cent.
All others, which had been operating on average for more

was expected to begin this sum-

mer.
Toshiba, which is still under

threat of trade sanctions in the US because of illegal exports of sophisticated machine tools to

Mr Rice did not name any part

ners in the planned insurance company although it is known the bank has been speaking to

several companies.

He said there were many struc

tural forms the company might take. It would be designed to fill the gaps in Eximbank lending, such as down-payment financing,

cent on products qualifying as for European operations among companies which indicated they used local sub-contractors, 32 said they were unhappy with the quality of the output of these

Companies in other industries according to the time the com-pany had been operating the 62 companies reporting Advanced processing and assembly industries, such as electronic and precision equipment industries, had been operating in Europe for an average of 6.4 years. Their local content ratio was 51.7 per cent. foreign parts makers.

Of the 154 companies who responded to a question on profitability, 55.1 per cent were profitable and 19 per cent more were at

### Toshiba in S Korea venture

TOSHIBA, the Japanese electri-cal group, and Samsung Electron-ics of South Korea are setting up two joint ventures to produce video cassette recorders and VCR components in Korea. The planned output, about

600,000 units a year and a similar number of chassis and other com-ponents, will be shipped mainly to the US market.

Helsinki group

to open Soviet

duty free shop

A RETAIL company based in Hel-

sinki has won a contract to open a duty-free shop in the Soviet Union in May.

The shop, in the port of Leningrad, will sell goods ranging from alcohol and food to fashion accessories, and will cater mainly for

courists. The Finnish company,

First International Expocentre, plans to open similar shops in other Baltic ports and on the Black Sea.

Mr Stephen Lowe, managing

lirector of Expocentre, said the

duty-free shop may later be con-verted into a joint venture with

Soviet companies. The turnover target for the first full year is FM300m (\$73m).

Aer Rianta, the Irish adrports authority, and Aeroflot, the Soviet airline, recently signed an

ment to run two duty-free

petitively priced components for assembly at Toshiba's plant in Tennessee. the Soviet Union by one of its Details of the investment and subsidiaries, exports about 1m shareholdings in the joint ven-

VCRs in the US, now at a nomi-nal level. The ventures with Sam-

sung would be a step in that direction and would provide com-

### **Export credit insurance** syndicate planned in US

Toshiba said yesterday it tures are still being worked out wanted to expand production of Toshiba said production in Korea

BY NANCY DUNNE IN WASHINGTON

IRVING TRUST of New York said yesterday it was taking the lead in forming an export credit insur-ance syndicate to be owned and managed by multi-national corporations.

Speaking at a US Export-Import Bank seminar Mr R. Michael Rice, executive vice-president of living Trust, said such an organi-sation would offer a full range of export credit, political risk and other trade-related insurance.

Irving Trust has defied the trend in the US, where trade credit is limited, and committed substantial resources to export financing. Mr Rice called on exporters to recognise the "harsh realities" and not to expect com-mercial banks "to come stampeding back into lending" now that exports are booming.
"The solution to creating new

multi-sourced products and defence equipment lending. He said Eximbank had its best ever programmes for exporters but there were limits to what it

could do within its budget authorisation and restrictions imposed by Congress as well as by agreement with the Organisa-tion for Economic Co-operation "A private export insurance

company working along with Eximbank would help the US-regain its place in world trade," he said.

### Australian funding for China

By Robert Thomson in Peking

AUSTRALIA has joined the countries offering concessional finance packages for China. It will provide A\$200m (£80m) over the next three years for projects involving Australian

companies.

The package is the first of its kind by the Australian Government, which has been reluctant to provide soft loans. It has, however, conceded that it has little choice, since most West European countries and Japan have introduced such programmes for China. The money will be provided at an interest rate of around 1

at an interest rate of around 1 per cent and will be available for select ventures approved by the two countries. Projects being considered include a copper plate plant and an iron ore unloading facility. At a meeting of economic

ministers from the two countries, Chinese officials criticsed the Australian surplus in

ised the Australian surplus in bilateral trade. It appears that China is to intensify pressure on all countries with which it runs a deficit.

The attacks on the deficit, which the Chinese said was A\$1.4hn on total trade of A\$2.3bn last year and the Aus-tralians estimated at around A\$600m, came in spite of an increase of 47 per cent in anousm, came in spite of an increase of 47 per cent in China's exports to Australia last year and a 7 per cent fall in Australia's exports to

### PANAMA AT THE CROSSROADS

# Anti-Yankee sentiment fires General Noriega's officer corps only government. Under Gen Noriega, wide cor-ruption and a tentacular involve-

BY DAVID GARDNER

IF PANAMA'S army has a message, it is spiashed in primary colours on the barracks wall here at Rio Hato base, on the Pacific shoreline of this strategic isth-mus joining North and South

America.

The mural depicts a column of brown-skinned Panamanian soldiers, workers and peasants, dealing death-blows to a glant, Aryan-featured soldier with US insignia on his epaulette. Nearby, slogans on walls sum-marise the pithy thought of Gen

Omar Torrijos, the flamboyant populist who saw himself as a "general of the people" and "soldier of Latin America." Torrijos, who was killed in an air crash in 1961, led the military to power in a 1968 coup and negotiated back the Panama Canal from the US in the 1977 Torrijos-Carter Treaties. Perhaps the most remembered of Torrijos' bon mots was "I do not want to go down in history, I want to go into the Canal." Rio Hato is a World War Two US Air Force base converted by the 15,000-strong Panama Defence Forces (PDF) into its military acatemy. Today's canters chanting aggressive anti-Yankee doggerel as they march are the officers and NCOs who will take over full control of the Panama Canal in the year 2000, when, according to the 1977 treaties, the last US soldier is due to leave.

US Southern Command, head-quartered in Panama, has 10,000 troops spread over 14 bases and a witai regional listening post.
Whether or not they do leave in
2000 is a central, if hidden, part of
the battle now going on between
General Manuel Antonio Noriega,
the PDF commander and de facto ruler of Panama, and the Reagan Administration, which is providing the backbone for local opposition efforts to topple him. Commanders at Rio Hato are

conscious that an outcome in the US struggle to remove Gen Noriega is imminent. Captain Francisco Porras, the young director of the officer's academy, the Gen Tomas Herrera Military Institute, is a close Noriega ally. He sees the US campaign to oust Gen Norlega in alliance with the Panamanian Right as part of an historical pattern, an attempt to roll back PDF power and neuter its nationalism. In 1955, Captain Porras recalls, National Guard Commander Jose Antonio Remon was assassinated. He had tried to negotiate with the Eisenhower Administration improved rights for Panamanian workers and companies in the Canal

The rebellion that doesn't interfere with the making of money

deadly serious, often taking place amid scenes of indescribable butchery. But in Panama, they are a part-time affair, because its leaders have the serious business of making money to attend to, writes David Gardner.

The leaders of the Civic Crusade. which is co-ordinating the drive to bring down military leader General Manuel nio Noriega, are also the directors of the Chamber of Commerce. Commerce is what Panama does for a living. So after the riots on Tuesday when the military used shotguns and gas to stop the crusade from taking over the streets,

the battling heroes of the rebellion

for suit and tie, and called a truce for a day to open Expocomer, the sixth national trade fair. Mr Aurelio Barria, president of the

chamber and head of the crusade, in his address to participants from 31 countries attracted by Panama's Colon Free Trade Zone, made a passing reference to the need for "patriotic, civic action to guarantee Panama's future prosperity". Otherwise it was business as usual.

"I don't see that what's going on will necessarily block future business," said Mr Ron Tuplin, a Stratford businessman representing the Hanson Group.

Nor, it seems, did the crusaders who

show on Wednesday evening.

Mr Roberto Brenes, another crusade leader, is found of telling the 150-plus foreign correspondents in Panama City that the country is experiencing a nine-to-five, Monday-to-Friday rebellion. Captain Francisco Purras, director of the 15,000-strong Panama Defence Forces military academy, agrees. He tells a story of policing a teachers' strike in 1982 one Friday afternoon, when the cry came across from a students' picket: "Hey, Captain, see you on Monday morning, but first thing, eh . . . ", whereupon the picketers left. Expocomer, furthermore, is Panama's

reported sales, as well as obvious spin- left by Torrijos. Gen Noriega, fur-offs for the free trade zone, which last thermore, has introduced a sinis-year moved \$4.35m in goods through its ter element by building a parallel year moved \$4.3hm in goods units.

The crusade is really relying on the US-backed freeze of Panama's liquid he headed for 13 years. Much is assets to force Gen Noriega out. While it has called new demonstrations for today, all levels of the PDF, but this it seems more interested in seeing appears to be largely a form of whether the regime can meet the civil patronage. It has also led to political neglect outside the PDF.

able to pay all civil servants in the next few days, and that will put an end to it. Meanwhile the trade fair revolutionmanian officer is his humble ori-

"sapos" or toads).

There is only one general,
Noriega, and 18 colonels. The
PDF methodically recruits officers from the ranks. This is not the only sort of leadership they promote. Capt Porras, for instance, next week starts a series of training programmes for trade unionists, to promote "natural leadership." The PDF's Civic Action programme also allows it wide representations of the programme also allows it wide representations of the policy of the programme also allows it wide representations of the programme also allows it wide representations of the programme also allows it will be programme. US bases on its soil his answer is sit Salvanor.

Anti-US sentiment is wide-but as far as the PDF is continuously to Panama's merchant action programme also allows it with the US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

The US has always tried to spread. One well-placed inforcerned, it justifies their dominance of Panamanian politics.

As a result, although the army appears solid behind Gen. Norlega, it is isolated, and faces some form of retrenchment if the general goes. Mr Ernesto Perez Valladares, a

veteran Torrijista political leader says that for the same reason "the institution [PDF] cannot afford to see its boss leave under fire. Things have to return to normality."

The number two at Rio Hato, a

The number two at itso hato, a lieutenant of West Indian origin called David Ocalagan, says drily that in the event of Noriega's withdrawal "logically the institution goes on." But in what form and with what powers is uncer-

### Government unable to make Y5bn payment

PANAMA told Japanese inves-tors yesterday it could not make a Y5bn (\$21m) bond pay-ment, Reuter reports from Tokvo.

The country blamed its fail-ure to make the final payment on the 10-year bonds on a cut-off in dollars by the US. Bankers said Panama's Finance Ministry had instructed its central bank to pay the money, but the bank was unable to, because its funds in the US had been fro-

Til:

1,300

Ow

 $\Delta_{\mathrm{DM}}$ 

Tile.

 $N_{iN_{i}}$ 

Tite

 $\Lambda_{-i,j}$ 

Pare :

4. 11. 11. 11.

Cur Chang

ACT Sheri-1

ेद्राहरू हुन्छ।

allohed)

# 2 h

Mr de

in a

Why.

Bur i

Avail 1913

Given the confused situation in Panama, Japanese investors have decided against declaring the country in default, bankers

Panama has another payment coming due next Tuesday on \$421m debt rolled over last year by its foreign banks. The Government is expected to ask that the payment be rolled over again.
The cut-off in dollars was

engineered by ousted President Eric Arturo Delvalle in an attempt to wrest power from the military strongman, Gen Manuel Norlega. Panamanians have not had access to cash for four working

days. Banks were forced to close last Friday because of an embargo on dollar transfers imposed at the request of President Delvalle, who was deposed on February 26 after he tried to sack Gen Noringa.

Panama resumed limited banking corretions banking operations on Wednesday but the financial strait-jacket on the country is

tightening.

Bankers saw the Panamanian Banking Commission's decision to allow banks to start taking deposits as mean-ingless in the present uncer-tain climate.

"Who is going to deposit money in banks at a time like this?" a foreign banker asked. He pointed out that the goal of most Panamanians now is to draw money out. A US judge on Wednesday extended for at least a week an order freezing Panamanian government funds in four Mami banks,

He set a hearing for March 16 for a permanent injunction on what he described as a substantial amount of Panama-

# Shippers discount fear of Canal disruption

says, and just as Torrijos was also accused of a drugs connection through his brother and the murder of a priest.

Asked if Panama can become a fully sovereign country with 14 US bases on its soil his answer is simply: "No, No, No."

"The US has always tried to turn this into Puerto must says that the under ranks against state of populism and pragmatism in a pepal died with the engaging personality of Torrijos himself, but as far as the PDF is contemptation this into Puerto must says that the under ranks agree of Panamaian politica coefficients, which for the rich but we are of the Torrijisma, however, is hardly is not the case in many Latin Aguilar, a black instructor at Rio of populism and pragmatism in a nationalist shaker. Much of its officers, are black, with an appeal died with the engaging personality of Torrijos himself, but as far as the PDF is concept to populism and pragmatism in a papeal died with the engaging personality of Torrijos himself, but as far as the PDF is concept to populism and pragmatism in a papeal died with the engaging personality of Torrijos himself, but as far as the PDF is concept to populism and pragmatism in a papeal died with the engaging personality of Torrijos himself, but as far as the PDF is concept to populism and pragmatism in a papeal died with the engaging personality of Torrijos himself, but as far as the PDF is concept to populism and pragmatism in a papeal died with the engaging personality of Torrijos himself, but as far as the PDF is concept to populism and pragmatism in a papeal died with the engaging personality of Torrijos himself, but as far as the PDF is concept to populism and pragmatism in a papeal died with the engaging personality of their own, and refer contemptions and provide to populism and pragmatism in a papeal died with the engaging personality of the provide personal papeal died with the engaging personality of the provide personal papeal died with the engaging personality of the provide personal papeal died with the engaging personality of the pr

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

tic side, or Panama City on the Pacific. So far, the increasing unrest in Panama has bypassed unrest in Panama has bypassed the canal, largely because its important cargoes could be Canada are too congested to han-7,000 employees have been insu-But the prospects of serious dislocation of trade appear slight,

even if the canal were to close. Since 1979, the canal has been run by the Panama Canal Com-

and the local oligarchy of corruption, involvement in drugs, and a murder, just as Gen Noriega has recently been Contain Tank and the local oligarchy of corruption and policemen with a whis against allowing the now-closed tile and truncheon," the captain US School of the Americas trainsays. "But they will not kill Tank ing facility to be a local or truncheon and the local oligarchy of corruption in the captain of the local oligarchy of corruption in the local oligarchy oligarch

murder, just as Gen Noriega has recently been, Captain Porras says, and just as Torrijos was "They want us to be an army stipulated in the 1977 treaties."

moved by alternative routes, die diverted Panama Canal traf-

run by the Panama Canal Commission, a US Government declined, partly because of commission around \$25 to \$30.82. This would handed over to Panama. Americans and four Panamani-China, and partly because many be had news for the Asian commission.

TO THOSE WHO see it mostly ama in 1999. But Panamanian influence will begin to increase could be similarly diverted, and almost certainly cause a further could's most famous short cut—on miles of miles of lakes, cuttings and locks instead of 5,000 miles of the current American locks instead of 5,000 miles of the Carrent American ship from the current American by the could be similarly diverted, and almost certainly cause a further could be similarly diverted, and almost certainly cause a further ruption, the extra costs involved would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products, but most of this coastal Central would be unlikely to cause severe amount of petroleum products.

ship from the current American incumbent.

Ship from the current American incumbent.

Ship from the current American incumbent.

Most of the 13,000 ships which transit the waterway each year have little contact with Panama, except when the local pillot comes aboard at Cristobal on the Atlantic side, or Panama City on the current American would be unmaded to the market for the high quality US product. In the other direction, containstance with the canal would have a major impact on the interval and the disruption of trade patterns already are, or sent via the Cape and the increased cost of transported by rail, as many transported by rail, as many

amount of manufactured goods, the long route around Cape Horn, mostly Japanese and South Koradding around two weeks to the ean, moving in the opposite directransit time for an average ship.

Brokers say this would probaights for Panamanian workers ans.

US cargoes now go via the Cape sumer, but in the nature of a sion has delayed a decision on a companies in the Canal The treaty which created the commission provides for the Remon was accused by the US; and to be handed over to Panamanian workers ans.

US cargoes now go via the Cape sumer, but in the nature of a sion has delayed a decision on a commission provides for the with additional South African - the extra two weeks at sea Gaillard Cut to take two-way traffic.

American trade which could probably be replaced from other markets. Only a small amount of Alaskan crude oil now transits the canal since most is now moved by pipeline.

gin," Captain Porras says. The overwhelming majority of the

General Staff come from working class or peasant families, which is not the case in many Latin

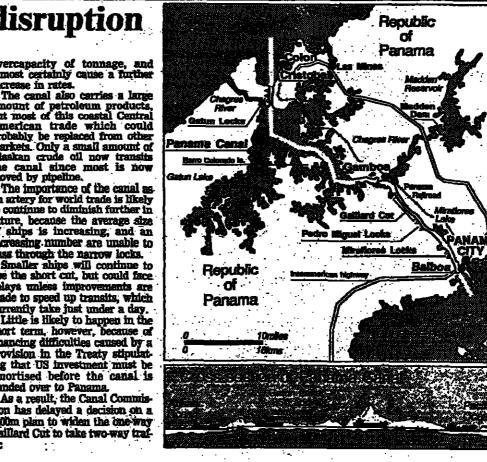
an artery for world trade is likely to continue to diminish further in future, because the average size of ships is increasing, and an increasing number are unable to pass through the narrow locks. Smaller ships will continue to 7,000 employees have been insulated from the closure of local banks by cash flown in the US.

The US says it is concerned to prevent the disruption of world trade which would be caused by interference with the canal.

The US and Australia and perhaps Argentia, and perhaps Argentina to this could make up some of the use the short cut, but could face shortfall, but the US would remain the core supplier. So most use the short cut, but could face shortfall, but the US would make up some of the use the short cut, but could face shortfall, but the US would coal, with a much smaller of the traffic would have to take currently take just under a day.

Little is likely to happen in the short term, however, because of financing difficulties caused by a provision in the Treaty stipulat-ing that US investment must be amortised before the canal is

As a result, the Canal Commis-





# DREANDM

Think of an estate car and you'll most probably think of a Volvo. Quite honestly, it would be difficult not to.

Over the years you've heard more about its many virtues than just about any other estate car.

And why not.

The Volvo's safety record is there for all to see.

Now however, we at Vauxhall have a car that even the Swedes will have to sit up and take notice of.

The Carlton Estate.

A car that not only looks after you when you're in trouble, but helps you avoid it in the first place.

Our confidence in the Carlton is based upon something no other car has. 'Advanced Chassis Technology' or ACT

ACT is a suspension system so sophisticated you won't even know it's there. Until you need it.

In an emergency, the system will help stabilise your car to prevent possible fishtailing and spinning.

Brake suddenly and ACT will help to bring your car to a controlled and straight halt, whether the road is wet or dry.

When Car magazine put it to the test they found a degree of stability that "leaves nothing to be desired". Autocar simply described it as "truly remarkable".

But if it does come to the crunch the Carlton will leap straight

to your defence. A rigid steel safety cage, front and rear crumple zones, child-proof locks, anti-jamming doors. Our safety specifications are the equal of anyone's.

The Carlton also boasts a fuel economy other estates can only envy and a load capacity most cars would choke on (a massive 65.3 cubic feet no less).

It came as no surprise then, that in 1987 the Carlton was voted Car of the Year.

More importantly, Motor magazine concluded recently in a comparative test report with the Volvo 740 GLE that the Carlton was "most certainly the better estate car".

Their words, not ours.

For further information call 0800-400-462.

HE CARLTON ESTAT

# EC internal market plan under fire

THE EUROPEAN Commission's plan for the completion of an internal market in Europe by 1992 yesterday came under fire

The Treasury and Civil Service Committee unanimously conlemned proposals by the EC to harmonise rates of value added tax and excise duties, and called on the Government to reject

The committee said in its report that the Commission's proposals were flawed and appeared unlikely to be wholly acceptable

As part of its plan to harmonise certain consumption taxes the EC would abolish zero-rating, and has proposed two permissible bands for VAT — 14 per cent to 20 per cent and 4 per cent to 20 per cent and 4 per cent to 20 per cent and 4 per cent to 20 per cent. There would be standardised rates of duty on tobacco.

The committee of the EC commission of interest rates, preferential government minister, but rejected it outright. It also heard to committee was also critical of the Commission's proposition and the EC commission of interest rates, preferential government bands for VAT — 14 per cent to 20 per cent and 4 per cent to 9 per cent. There would be standardised rates of duty on tobacco.

The committee and indirect subsidies, the level of interest rates, preferential government bands for VAT — 14 per cent to 3 per cent to 3 per cent and 4 per cent to 9 per cent and 5 per cent a

dised rates of duty on tobacco and alcohol-based products.

The committee said the Gov-ernment should tell the EC formally that it would not consider forms to indirect taxation that included the abolition of zero-ratto items such as children's cloth-

vincingly shown that its proposals were necessary for the com-pletion of an internal market.

The fact that the same prod-uct bears a different price in one ing. Britain does not apply VAT EC state than in another [encourto items such as children's cloth-ing fuel and food.

The committee took evidence as currency fluctuations, direct

The committee said it was not tobacco products. It said it did sure the Commission had connot think it acceptable for duties that reflected, in part, social and health policies, simply to be aver-

> "The European Commission's proposals on the approximation of indirect taxation." Treasury and Civil Service Committee, Third

# Retailers point to firm upward trend in consumer demand

Retailing

SALES IN shops and stores grew steadily in February and further growth is expected in March, according to the Confederation of British Industry/Financial Times quarterly survey of distributive trades.

Out of 254 retailers questioned, 44 per cent said sales in February were good for the time of year while only 10 per cent said they

were disappointed. January's results were dis torted as exceptionally good weather helped increase sales and this could also have affected

February's results.

The survey tallies with official figures showing that the long-term trend for retail sales continues to be firmly upwards with October's stockmarket crash appearing to have had little impact. Figures for February will be published on Monday and are expected to show a further rise.

Mr Nigel Whittaker, chairman of the survey panel, said: "The results of the survey show that solid sales increases have been maintained in February, and retailers anticpate that these

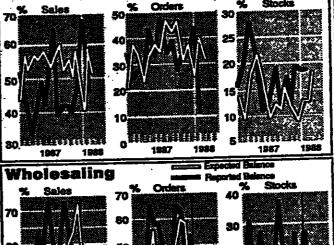
retailers anticpate that these

good increases will continue into this month as well. In February the halance of retailers reporting an increase in sales compared with the same time last year minus those noting a fall, was +46 per cent. That was lower than expected and compares with a balance of +67 per cent reporting increases in

For March, a balance of +51 per cent expect an increase in sales. Shops selling footwear, leather goods and off-licences are most optimistic about sales in

Harch.

However, expectations have been frustrated in 10 out of the past 12 months. Mr Whittaker said: "The general impression I get from retailers is that they are now talking much more openly about a moderation in the rate of growth."



for concern about inflationary equances because respondents in all three sectors expected price increases to moderate in

the next few months.

Retailers appeared more positive in their capital spending plans for the next 12 months and

A parameter of +5 per cent of retailers said imports formed a higher propertion of deliveries in February compared with a year ago. A balance of +81 per cent reported an increase in selling prices - the largest balance since

increases - the highest balance increase in sales. This compares since the survey began in 1983, with +55 per cent in January The CBI said there was no need and a further deceleration is

expected in March.
Wholesalers of durable household goods, food and drink were the most optimistic about sales

import penetration in wholesal-ing continued to pick up in Feb-ruary, but employment increases were better than expected. The palsance of +44 per cant reporting ual cases would not sustain criming increase in employment was insi proceedings was a bar to the highest since the survey internal disciplinary action for

Among motor traders, growth in sales volumes in February was much better than expected. Slower growth, however, is pre-

growth."

November 1986.

November 1986.

In wholesaling, sales volumes accelerated in February with a balance of +35 per cent reporting ance of +53 per cent reporting.

### Army fraud 'may have run into millions'

By Lynton McLain

THE COST of fraudulent expense claims by former or serving civil-tan personnel in the army lines well have run into millions, rather than hundreds of thousands of pounds," the House of Commons committee of public accounts said yesterday.

In its latest report on the Ministry of Defence, the committee expressed its astonishment that

no disciplinary action was taken against those involved in what the report called an "extremely serious and disturbing fraud."
The blatant control failures

that allowed the malpractice to go on for so long were also critic-

Sir Clive Whitmore, Permanent Under Secretary at the MoD, had that the sums involved were "considerably greater" than the £203,000 noted in the 1986-87 MoD appropriation accounts. The committee was concerned that it had taken the MoD nearly

three years to decide on a course of action which, in the end, was confined to issuing warning

letters to those involved.

Sir Clive accepted that "with hindsight, given the serious nature of this case, it would have been better had ministers been. involved" in what to do about the

MoD view that the decision by the director of public prosecu-tions that the evidence in individbreaches of rules and neglect of

Report from the committee of pub-lic accounts, session 1987-88. Ministry of Defence: Fraudulent services. House of Commons Paper 333. HMSO. £3.20.

# Join the winning team

time. And raring to go.

You can rent by the day, week or month from any one of over 90 specialist truck rental centres nationwide.

At BRS Truck Rental, we're big enough and experienced enough to come up with the goods, not just promises. On

If you think that's too good to be true, put us to the test and contact your nearest BRS Truck Rental centre direct (see Yellow Pages), or dial 100 and ask for Freefone BRS 1050.

Or write to George Inch, Group Sales & Marketing Director, BRS, The Merton Centre, 45 St Peters St, Bedford MK40 2UB.



sizes for you to choose from.

There are times when the vehicles you have just aren't right for the job.

Or, thanks to seasonal overload or an unexpected increase

Because we've over 2500 trucks of all makes, shapes and

Rarely more than two years old, every single one of them is dean, fighting fit and ready to take to the road on your behalf.

in business, you could well do with one or two extra trucks or a new fleet.

One call to BRS and the problem's as good as solved.

A tall order for anyone else is all in a days work for the BRS Truck Rental team



**Sime Darby Group** 

FOR THE SIX MONTHS ENDED	SIGI PEGGMPE	
	1987 M\$ Mülion	1986 M\$ Million
TURNOVER	1,515.3	1,160.1
PROFIT BEFORE TAXATION	133.6	77.3
EARNINGS	<b>59.2</b>	35.8
EXTRAORDINARY PROFITS	4,5	27.2
GROUP PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF SIME DARBY BERHAD	63.7	63.0
	M. Sen	M. Sen
EARNINGS PER SHARE	6,4	3,9
DIVIDENDS PER SHARE - NET	2.4	1.8

DIVIDENDS PER SHARE - NET

# **UK** companies boost overseas investment

BY RALPH-ATKINS

OVERSEAS INVESTMENT by for 58.5 per cent of total invest British companies last year was almost three times greater than foreign companies' investment in the UK, according to official fig-ures published today. Provisional statistics from the

Department of Trade and Indus-try show net direct investment overseas by UK companies was £17.8bn last year. Investment flows into the UK totalled £6.1bn. The figures cover investments that give the investor a voice in the management of the enter-

prise and exclude portfolio investments. They also take account of disinvestment by com-Overseas investment by UK companies has shown steady growth in the past three years -rising from £8.7bn in 1985 to

211.6bn in 1986. Inward investment remained constant at about \$4.2bn in 1985 and 1986 before rising last year.

The figures, published in British Business, the official magazine of the DTI, show that by far the largest share of UK compa-nies' overseas investment went In 1986, the latest year for which a geographical breakdown was available, the US accounted

GM in union talks

EXECUTIVES FROM General Motors' UK subsidiaries are expected to meet national officials of the motor industry unions on Monday in an attempt to settle a threatened strike over the company's plans for its pen-sion fund surplus.

Germany/Lake Constance tunity! 8000 sq.m. estate with own beach. Refurbished historical helding with all mod cons, 600 autoroute to Zurich. 39 mill.

Info: Dr Ropertz, Box 767, D 8 Munchen 43

Although US investment has grown markedly compared with 1985, investment in European Community countries has

EC countries took a 21.2 per cent share in 1986 compared with 29.6 per cent in 1985. Of the EC countries, the Netherlands received the largest

share - £1.8bn - of UK company investment in 1986. France was second with £326m, followed by Italy with £190m.

Net investment in South Africa fell from £199m in 1985 to £86m in 1986. Investment in other African countries was £92m in 1986; Asian investment totalled £351m.

Provisional estimates show earnings on UK company invest-ments abroad were £10.8bn in

That compares with £7.7bn in 1986 and £7.8bn in 1985. Earnings from investments in the UK are estimated at £5.8bn in 1987 against £5.8bn in 1986. Most investment in the UK in

1988 was by EC countries, which accounted for 57.3 per cent of the total. Investment by US companies took a 31.2 per cent share.

This announcement appears as a matter of record only. March 10, 1988.

Acquisition by STERLING HOLDING A/S STERLING AIRWAYS A/S

for DKK 754.000.000

The total share capital of Sterling Airways A/S has been acquired from The Tjaereborg Group in Denmark by a Danish company Sterling Holding A/S, established at the initiative of the management of Sterling Airways A/S. The shares of Sterling Holdings A/S have been placed with Danish and other Scandinavian investors.

SPANEKASSEN ETTE

What are the likely implications of next week's Budget for the UK economy? Find out by calling BZW BUDGET PREVIEW on 0898 12 12 72. Is the City nervous or is it in good heart before the Budget? CITYCALL MARKET REPORT 0898 12 12 20 can tell you. For a free wallet card listing all Citycall Services phone 01-2411552. CITYCALL

ALIACVAT. A BRITISH TELECOM SERVICE

**Thatcher** 

and Lawson

find accord

on sterling

MRS MARGARET THATCHER.

Prime Minister, and Mr Nigel

Exchequer, yesterday sought to scotch suggestions of a disagreement between them on exchange rate policy and reaffirmed that control of inflation was the Government's control of which the control of th

The apparent confusion over

ernment's economic priority.

# International policy expert to quit Bank

BY ALEXANDER NICOLL, EUROMARKETS EDITOR

England official who, for 11 countries with looser standards years, has spearheaded interna and to make the capital that tional co-ordination of banking banks must keep more directly supervision, is to leave the Bank later this year.

Officials said Mr Cooke's decision to step down from his posi-tion as chairman of the so-called "Cooke Committee" was not con-nected with other recent depar-tures of top executives. He had taken the decision before knowing about the impending move of Mr Rodney Galpin, head of bank-ing supervision, to Standard Chartered Bank.

It was understood that Mr Cooke, who is 56 and has had a 33-year career at the Bank, opted to bow out this year as agree-ment nears on proposals he has nasterminded for minimum international standards for banks' capital requirements.

Mr Cooke was travelling yes-terday and was not available for comment on his future plans. The capital adequacy proposals, which will take at least until

1992 to implement, were published last December after several years of work by the committee that bears Mr Cooke's name, operating within the Basle-based Bank for International Settle-

They are designed to shore up the international banking sys-tem, to reduce competitive

West German government and

wine producers to upgrade the quality and image of its wine sold

Britain is West Germany's larg-

BRITISH SHIPPERS of West Ger- with the product now suffering a

est single export market for wine, taking more than 50 per cent of shipments. This accounts for about 30 per cent of the UK light, include the limitation of yield to still and sparkling wine markets.

man wine imported into the UK consumers identify different have been on a downward trend grades of wine.

man wine are working with the severe image problem.

BY LISA WOOD

MR PETER COOKE, a Bank of advantages held by banks in proportional to the risks they

> Chairmanship of the Basle committee will pass to Mr Huib Muller, a director of the Dutch central bank, when Mr Cooke leaves in October after a Tokyo meeting of banking supervisors. Mr Cooke's role has been as a unique international financial diplomat. He has sought to prethreaten the world's banking sys-tem, as well as dealing with cri-ses such as the Banco Ambrosi-ano failure and the debt problems

of developing countries. International co-ordination of supervision has been stepped up considerably following the collapse of West Germany's Herstatt, Bank in 1974. The Basle committ tee was set up in its wake, ini-tially under the chairmanship of Sir George Blunden, now the Deputy Governor of the Bank of

Regulators of securities markets, who feel they also need greater international co-ordination, are treating the Basic com-

mittee as a model.

Mr Cooke's departure will shorten the odds on Mr Brian Quinn succeeding Mr Galpin as head of banking supervision at

The German Wine Information Service, which acts in Britain on

behalf of the German Wine Insti-

tute in Mainz, said a long-term strategy had been agreed.

In October 1982, a damages W. Germany to upgrade wine sold in Britain

paid Pentos £200,000 plus a sub-stantial contribution to Pentos's

in May 1987, Morgan Crucible, the industrial materials and elec-tronics group, sued Hill Samuel, the merchant bank which advised First Castle Electronics

but Morgan sted Hill Samuel for what it claimed were "material inaccuracies" in relation to a forecast of First Castle's profits increase its investments and capfor the year to January 1986.

### **B&C** sues Montagu over sale agreement

BRITISH & Commonwealth Holdings, the financial services group, yesterday sued Samuel Montagn, the merchant bank, for alleged "negligent mis-statements" on helials of Quadrez Holdings, the securities firm which last month sets the which last month inflet to complete a £280m acqui-sition from B&C.

En a writ issued in the High Court in London, B&C claimed

damages relating to what it claimed were Montagu's assurances that Quadrez had the abil-ity to finance the purchase of the wholesale broking operations of Mercantile House Holdings, the financial services group B&C bought last year.
Montagu last night strongly

denied the allegation and said acceedings would be vigorously defended. This was identical to Quadrex's

reaction on February 29, when B&C issued a writ alleging "unlawful repudiation" of the

sale agreement.
The B&C writ issued yesterday claimed that Mr Ian McIntosh. Montagu's corporate finance director, had made representations before the signing of the agreement about Quadrex's ability to finance the purchase.

Last week, B&C said Montagu's assurances had been oral, rather

than written, although made with the knowledge of the Takeover Panel.

Legal action against a UK mer-chant bank for statements made during a takeover bid is rare,

claim by Pentos, the bookselling and publishing group, against Singer & Friedlander, the merchant bank, was settled out of court. The case related to assurances made by Singer during Pentos's 1979 takeover bid for Cantan Profile. Under the settlement, Singer

during a takeover bid by Morgan The bid eventually succeeded.

Mrs Thatcher dominates her Cabinet more today than ever, writes Peter Riddell

# Loneliness of a long distance PM

IMAGINE the scene - a commit-tee room in Whitehall. Enter Mrs Margaret Thatcher at a brisk pace. "I haven't got much time.
I've only time to explode and get
my own way," says the Prime
Minister.

It was, apparently, a joke. though not perhaps one much enjoyed by Mr Nigel Lawson, the Chancellor of the Exchequer, in his recent discussions with her over sterling. This aneodote, now doing the rounds of Westminster, is cited by one Cabinet minister as evidence that even Mrs ighter side. Long-serving members of the

Prime Minister's team say the present Cabinet is the most harmonious and good-humoured they can remember. The Conser-vaties are riding high in the opin-ion polls and ministers are busy implementing last hum's election implementing last June's election pledges. So there is neither cause nor time for squabbling.

Mrs Thatcher is more dominant than ever. Like William are no figures of independent political weight to challenge her, werhans Mr Lawson, Giacstone, the Liberal Frime Minister of the late 1800s, she has outlasted her contemporaries and only Sir Geoffrey Howe, the Foreign Secretary, and Mr Peter Walker, the Welsh Secretary, survive from the Mr Edward Heath's Cabinet of 1970-74. She is distant from almost all her ministers.

She has allies on particular issues like Lord Young, the Trade and Industry Secretary and Mr Nicholas Ridley, the Environ-ment Secretary. Mr Cecil Parkin-

none of the pretenders has advanced his position recently. They may have to wait some years for a chance. Among the Cabinet rank-and-file Mr John Major, Chief Secretary to the Treasury, and Mr John MacGre-gor, Minister of Agriculture, are son, the Energy Secretary, is the nearest to being a crony, and he has re-established himself by sucthe coming men, the latter a pos-Many of Lord Whitelaw's

except perhaps Mr Lawson, though even he suffers the occa-

sional rebuff, and Mr Douglas

Hurd, the Home Secretary.

There is no crown prince and

cessfully pushing through his electricity privatisation plans.

However, since Lord White-law's departure as deputy Prime Minister through illness, there antumn — have been taken on by Mr John Wakeham, in addition to his existing roles as Leader of the

House of Commons and chairman of the Legislation Committee. While Mr Wakeham has develped an influential axis with Mr David Waddington, the parlia-mentary manager, he does not yet have Lord Whitelaw's authority. He has also made enemies in Lord Young (in helping to block him becoming party chairman) and in Mr Parkinson (delaying his return to the Cabinet). The Cabinet revolves around Mrs Thatcher. With no deputy Prime Minister it meets only when she

past month its date has been moved from the usual Thursday to suit her travels. The full Cabinet is anyway less

important than its committees. and particularly the small ad hoc groups which Mrs Thatcher pre-fers to deal with issues such as the future of the health service. Both the recent decisions on electricity privatisation and the British Aerospace negotiations for the purchase of Rover, the UK carmaker, were largely deter-mined in such informal talks involving the Prime Minister, then discussed by the relevant committee and finally referred to the Cabinet for ratification.

The apparent confusion over strategy, which still lingered after yesterday's events, stemmed from remarks made earlier this week by Mrs Thatcher, when she ruled out action to hold down the pound through exchange market intervention or Mrs Thatcher remains the driv-ing force, using her private office to transmit her wishes and instincts to the rest of Whitehall. Her methods have been high-lighted this week with the leak of a letter from Mr Paul Gray, Mrs Thatcher's home affairs mirrets. a cut in interest rates.

The issue is understood to have been raised at yesterday's Cabi-net meeting and, afterwards, ministers were trying hard to Thatcher's home affairs private secretary, to his opposite number Mr Gray's letter faithfully portray any differences as a ques-tion of emphasis, rather than of any fundamental disagreement reflects Mrs Thatcher's instincts and her ingrained suspicion of the educational establishment, on strategy. notably the officials of the Department of Education and Sci-Despite the attempt at official reassurance, currency markets were unsettled by a statement by ence and local authorities, dating

from her days as Education Sec-retary from 1970 to 1974. The tone is the familiar one of distancing herself from the rest of the Government - her battle against the forces of inertia.

And even when concessions have to be made to those outside her control, as over the European Community budget and at last week's Nato summit, Mrs Thatcher comes out fighting. is in London, and twice in the

### the Prime Minister that the mar-ket could not be bucked, which appeared to conflict with the Chancellor who said sterling's rise was unlikely to be sustained. The pound closed lower after what dealers said was another hectic day's trading. It closed 11/4

pfennigs lower at DM3.0675 and % a cent down at \$1.8425. The Bank of England's trade-weighted sterling index was 0.1 points lower at 77.1.

In the House of Commons Mr Lawson denied opposition charges that he had made any

commitment to prevent sterling rising above DM3.

He said the suggestion was "wholly wrong" but emphasised his belief that any further, signif-Atlantic, justifying the action. By suing the DeLorean audi-tors in the US the British Governicant rise in the value of the pound, especially against the D-Mark, was "unlikely to be susment stands to gain far more in tainable".

damages. Its claim is for \$260m. Mr Lawson reiterated his comrepresenting three times the actual loss suffered, plus \$20m of

mitment to exchange rate stabil-ity, although he emphasised that "stability does not mean immobility".

punitive damages.
Ironically, the British Government at other times has attacked as unjust the US law which allows plaintiffs to sue for triple It was necessary to maintain interest rates at whatever level was necessary to exert downward pressure on inflation.

Questioned in the Commons vesterday Mrs Thatcher firmly pending the outcome of the US restated her determination to hearings. Both actions relate to maintain the control of inflation Andersen's audit of DeLorean as the Government's paramount restated her determination to



Margaret Thatcher: unchallenged

### Motorola profits surge on mobile telephone boom

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

THE BRITISH subsidiary of 250m in 1988, having invested Motorola, the US semiconductor £14m last year. group, doubled its pre-tax profits About £40m will be put into the last year to a record £17m, as the company benefited from the boom in the mobile telephone industry and strong semiconductor sales.

Turnover rose by 15 per cent to £299m from £259m, while exports reached £120m compared to increasing its capital expensiture £100m in the previous year. at its automotive and industrial Imports amounted to about

group's plant at East Kilbride, Scotland, where Motorola is plan-ning to move into full production by the end of this year with a

new facility for the latest genera-tion of memory chips. In addition, the group is electronics facility at Stotfold in

\*\*\*\*

### Government freed to sue **DeLorean auditors in US** BY RICHARD WATERS

ARTHUR ANDERSEN, the former auditor of the DeLorean Motor Company, has lost the first stage of its fight to prevent the British Government from pursuing it for negligence through the US courts.

A US judge ruled earlier this week that the case could be heard in the US, even though it

has been brought against Ander-sen's UK and Irish firms and relates to the failure of a Northern Ireland-based company. Judge Charles E. Stewart con-

cluded that there was "a high degree of symbiosis" between the legally separate Andersen partnerships on either side of the

A legal action launched in Lon-don for £73m has been held over

There's a brand new magazine that's worth its weight in gold.

All about money - and how to make the most of it when you live and work abroad. Make more - save more - invest more keep more!

It's full of good ideas about cutting tax - boosting investments - keeping ahead of the game.

It's called International. And the best news of all is - it's free. That's right, it won't cost you a penny: we'll deliver it to you direct every month.

And if that sounds unusual, how about this ...

The International is written and produced by an expert team at Financial Times Magazines. These are financial

writers at the very highest level - they know their stuff: and they specialise in all the subjects that interest you: paying less tax, making more money,

offshore investments, property. When you live or work abroad, there are lots of opportunities for you and your money. But there are lots of pitfalls too!

Our expert team will keep you right! Steer clear of the sharks – their risky schemes and ventures. This new magazine is dedicated to giving you advice you can be sure of, and insight you can trust. We know, where to dig to get the answers you want.

And we know how to keep it simple: you don't have to be a financial wizard to understand

us. We talk straight, no frills.

We'll give you sound advice plus some new ideas you may not have thought of. With our backing, you can use them with confidence!

The International - Free every month.

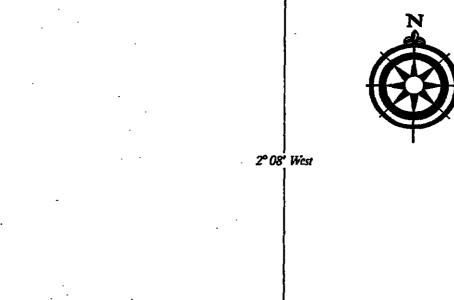
You can receive your own copy hot off. the presses every menth by putting your name and address on the comen below and sending it off now. That way you'll be among the first to reap-life rewards of the very best inancial wisdom for people living sbroad - free.

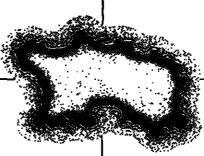
ell this:

happening back home. on igg lynicks and regulations. New products - reviews to appeal to you.

chool fees - regular features on topics as they make news." Company profiles - who's best at providing financial advice for people living abroad?

Questions and Answers meries on investment and finance – reselved crisply and surely. Statistics - offshore





(Just in case you haven't yet found the best investment advice in the world.)

Jersey is only 9 miles wide.

But it's here you'll find Warburg Investment Management Jersey Ltd, with around £2,000 million invested, much of it for our private clients.

'The world's best?' Consider, we're part of Mercury Asset Management Group plc, with

£20,000 million invested worldwide with offices in Japan, the Isle of Man, Switzerland, Hong Kong and the USA, and a consistently outstanding perform-

Find us soon. Write to us at 39-41 Broad Street, St Helier, Jersey. Or phone us on Jersey 74715.

WARBURG INVESTMENT MANAGEMENT JERSEY



FROM A small town deep in snowy. Sweden it is crystal clear why a clutch of major companies in Europe and the United States is rushing to construct a set of integrated cars-to-aircraft combines. But Linkoping, from where Saab Scania has pioneered such "syn-ergy" for 40 years, is also an ideal place to see why it will be hard for the likes of Daimler-Benz and General rs, and most particularly now for British Aerospace-Rover, to achieve

this high-tech dream.

That Saab has benefited from crossfertilisation between aerospace and antomotive technology since the Second World War is without doubt, even if the company sometimes overplays this in its advertising. There is clear evidence, both under the bonnet and outside it, of an aircraft influence on Saab cars, and, in limited ways, on

has been applied to the cars. More sur-prisingly, there is now some flow in the reverse direction from truck mannfacture to the aircraft side.

The company expects a sharp increase in cross-fertilisation over the next decade (see article below), espe-cially in the application of acrospace-type electronic systems to its high-per-

Yet a long line of hurdles stands in the way of anyone, especially the ill-matched Anglo-Saxon pair, who tries to clone this Viking pioneer. Put simply, there are barriers of almost every conceivable kind: time, technology, experience, corporate culture, and

Together, they combine into a mana-gerial challenge of daunting dimen-sions which will be met, if at all, only by marriages between well-matched kania trucks. technology-strong companies with a Truck engine technology, in turn, remarkable degree of managerial patience. Deimler, Dornier and AEG may prove a suitable "family" but BAe and Rover are an odd couple in com-

Whenever you go in the offices and corridors of Saab-Scania's Linksping headquarters, executives remind you of the decades it has taken the build the essential common denomina-tor of a vehicles-to-sircraft company: a unified engineering culture in which ideas can flow freely from one division, department and discipline to another, without being held back or rejected by the sort of internal suspicion and defensiveness which plagues most

They also point out that the process for managing cross-fertilisation has had to be adjusted sharply several times after lengthy periods of trial and error; the most recent was a radical

cautiously polite about the Daimler, GM and RAe-Rover initiatives, they warn in remerkable unison that it can take more than 10 years to digest a takeover. They are not exaggerating, the original Sash acrospace and car company merged with Scania trucks in 1869, "but it took as until the like 1970e really to start reaping advan-tage," according to Kai Hammerich, a senior vice-president.

Without the previous 20 years' experience of cross-disciplinary working (the first Saab cars were designed by aircraft engineers), it could well have taken even lonzer.

Then there is the small but vital matter of Saab-Scania's unusually upmatter of sear-scanners unmutary up-market position throughout its product range. This creates a virtuous circle of technology, marketing and financing. Seab's symmetry of high-tech, high-performance, up-market products has not only developed a universal internal

market for high technology, but has stimulated an internal supply of it, which in turn has developed the requisite critical mass of skilled engineers and technical intensity. And it has enabled the company, through almost all of its product range, to charge premium prices to finance its technology. The enlarged Daimler group may share this set of envisible characteristics, but GM and especially BAe-Bover do (or would) not. A group which contains some sizeable unbalanced parts such as the large Austin standard car unit within Rover — will find it car unit within Royer - will find it difficult to create and afford this virtuous circle, even if some of it (BAe) is as high-tech as Snab-Schuiz.

Significantly, the Swedish company's executives need no prompting at all to praise RAs: "we admire them tremendously," is a frequent remark. But similar comments about Rover are conspicuous by their absence.

# tradition points in one direction.

The Saab-Scania

# How Saab created the art of fly-drive

Christopher Lorenz visits the Swedish cars-to-aircraft maker and finds lessons for its would-be emulators

FOR THE PAST six months industrial automation, and - lat-Saab-Scania has been saving time terly - cars.

The development of this advanced "strength analysis" system is being controlled by an expert seconded part-time from Saab's aircraft division, which also provides use of its expensive

Rolf Sandherg, head of develop-ment and production for Saab's car division, cites this safety research as one of a dozen recent examples of cross-fertilisation between the group's aircraft, car,

truck and electronics divisions.

Another is the transfer from rospace to cars of computeraided design techniques for com-plex cable networks; in this case a handful of development engineers from the aircraft division in central Sweden spent eight months commuting to and from the car division near the coun-

Such examples of Saabian synergy are less widely-known than the group's cross-disciplinary development and application of aerodynamic exteriors, turbocharged engines, drivers' ergo-nomic "cockpits", and cable-free

"direct ignition" systems.
But up to now they have been
the bedrock of the company's
cross-breeding of technological
strength between its remarkably broad-based activities: not just cars, trucks, fighters, missiles and civil aircraft, but various electronic systems for space tech-nology, military applications,

terly - cars. Such projects are also typical crash-tests of complete new cars of the range of ways in which on a computer simulation programme, instead of just hurling actual vehicles against concrete barriers.

Such projects are also typical of the range of ways in which Saab-Scania organises cross-fertilisation. Most development work for the various districts. has always been located at their separate sites across Sweden.

Until recently co-ordination between them was left to a rela-tively informal process in which collaboration grew out of personal contacts. As the need for specific joint projects arose, specific joint projects arose, cross-divisional teams were set up on an ad hoc basis. Such collaboration spawned further contacts and, in turn, more collabo-

But, by the early 1980s, "the informal system didn't work so well," says Rolf Sandberg. "There were considerable contacts across the company, but its size had grown." So had the number and the complexity of its in-house technologies. With 14 years' diffi-cult digestion of the Saab-Scania merger behind it, the decision was taken to stimulate further synergy – and clearer prioritisation between projects - by the creation of a formal co-ordination

group.
This consists of the technical heads of each division, their development and production directors, plus a number of other experts. The group meets quarterly at each location in turn.

As well as reviewing progress and defining new inter-divisional projects such as computarised.



George Kernsund: "We should control our electronics too"

From their respective divisional positions, both Sandberg secondment, there are a few per-and Magnus Ingemar Olsson, manent transfers. The most nota-

group is sometimes given to the Sweden, though the company division making the biggest con-also makes considerable use of tribution, but not always.

technical director of the aircraft ble example of this is between division, stress that it is people, the truck and aircraft divisions. and defining new inter-divisional not procedures, who constitute projects such as computerised the main channel for Saab-crash testing, it settles the way Scania's cross-fertilisation. "We like the costs of working groups will be shared; Saab-Scania has no we put them on joint teams," tives in materials purchasing, central research or development. Says Olsson instead they do a lot logistics and production development. The car and truck divisions.

duction planning and engineering", says Olsson. "We have a lot to learn from them." As if to ram home the point about cross-fertilisation, Oisson and his aircraft colleagues got a new divisional boss aix months ago — a senior executive from

As well as this introduction of formal synergy-speeding mechanisms, 1993 also brought a more radical organisation change. The troducts which George Karnsand old aerospace division was split into two:aircraft and a brand-new unit, the self-standing Combitech ("Combined Technologies") group. This ties together Saab-Scania's interests in advanced technologies – especially elec-tronics – for military systems, space and industrial automation. Though it does make some hardwere, its primary role is "as a systems house," says George Karnsund, president of Saab-

It was Karnsund's belief in the need to give these activities a more entrepreneurial environ-ment, free of what one executive calls "an overwhelming air cul-ture," which led to the creation of Combitech, Constructed as an unasual collection of 13 small companies (now grown to 17), but with formal technology links between them, its sales have dou-bled to SKr1.4bn (\$128m) since its foundation. It still accounts for only three per cent of Saab-Scania's group revenues (SKr41.4bn in 1987), but its strate-

sions are very advanced in pro- cars and trucks, but its primary purpose was to accelerate the exploitation of Saab-Scania's exploitation of Sant-Scania's systems know-how in sales to third parties. Per Risberg, its president, points proudly to the fact that 80 per cent of its orders last year came from outsiders, and was not aircraft-related.

tronics, which George Karnsund expects to be "the fastest-expending industrial market for the next five years."

Accused of over-statement, Accused of over-statement, Karnsund jumps up, dashes out of his office, and comes back brandishing an independent expert's prediction of a near-tripling in the "electronic content" of the average American car between now and the year 2000, to around \$2,000 Scales and other

to around \$2,000 a car.

It is not just Saabs and other performance cars which will be affected, he insists. "The not talking about fancy electronics at all," he says, "just engine control, transmission, suspension, braking systems and so on.

"The thing that gives an aircraft extra performance these days is electronics," Karnsund says. "The same will happen for cars." He stresses that "the bright changes", as he calls them, will come from complete electronic systems, not just indielectronic systems, not just indi-vidual gadgets and components. "Just as we control and

Scania's group revenues "Just as we control and a long time — it's a difficult cost to have us under to task."

(SK41.4bn in 1987), but its strate develop our own engines and task."

task."

The other main potential area umbrella."

For Saab-Scania, perh for cross-fertilisation between beneath the umbrella of the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both sarospace systems technology to the single source supplier to both such that the such that the supplier to both such that the such tha

helping to drive motor manufac-turers in Europe and the US into marriages with serospace compa-nies – even though many of Lightweight composite materi-

nies – even though many of them, unlike Saab, have been als made from glass fibre. Kevlar quite happy to buy-in engines or transmissions from outside.

The attraction of aerospace companies in the matter industries and especially carbon fibre are all used in Saab's aircraft; a quarter of the structure of its latest companies in the matter industries. companies to the motor industry military sircraft, the "Griffin", is is not their (patchy) expertise in in carbon composites.

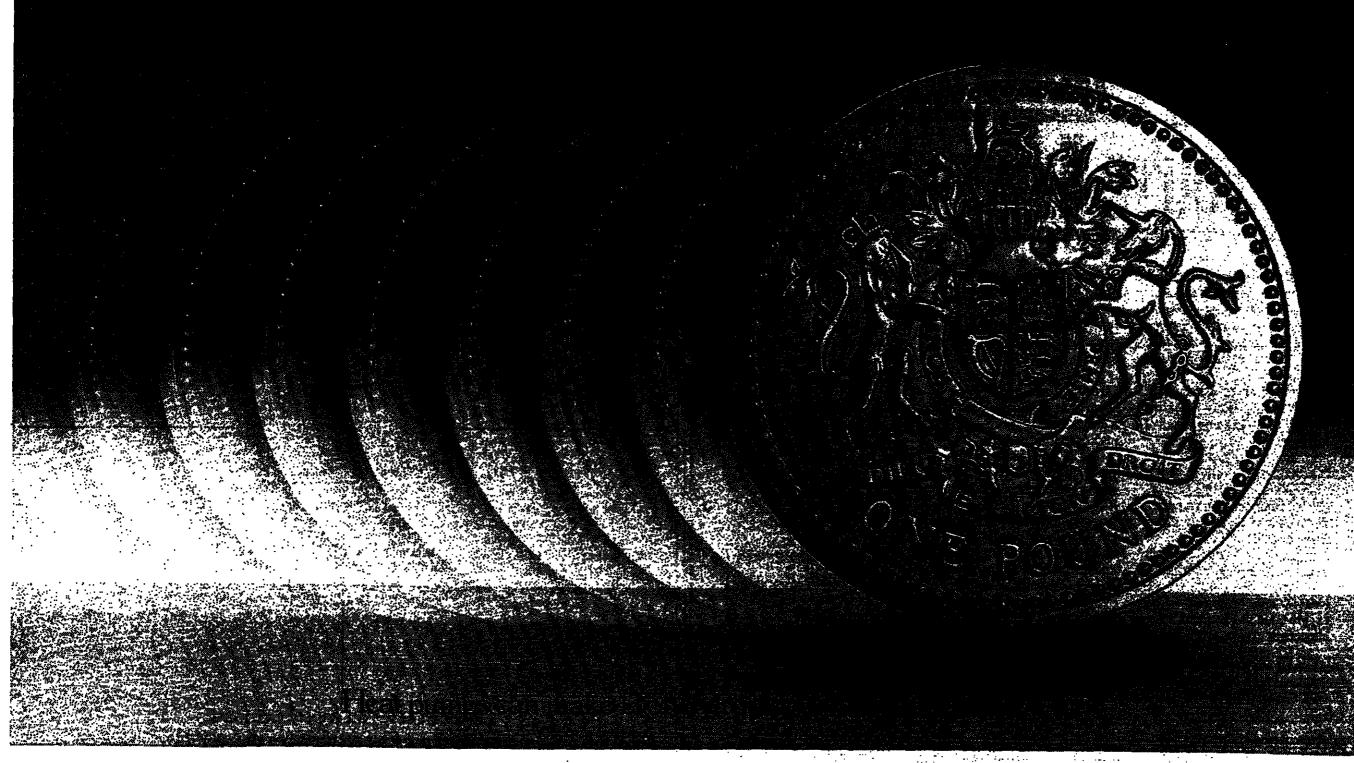
the making of electronic subsystems of various kinds, but posites will come - perhaps."

their considerable know-how in But he will not say when their the design and engineering of cost is still too high. By the year entire systems. "Our aircraft division has been composite parts in chassis building up its expertise in the specification of electronic Sandbarg. "But there still won't systems since the 1960s," says be much." Hopes are higher for truck drive shafts and other starting to happen in the ability.

That is it really precisely to the systems and axles, says Rolf systems and axles, s industry - people are realising But is it really necessary to that electronics will mean in the have all this technology under

1990s what it has meant to air one corporate roof? Karnsum's craft for 20 years. Hence all the reply is double-edged. "Of course craft for 20 years. Hence all the reply is double-edged. "Of course you can do it through collaboration," he says. But a few moments later he adds: "If you're ation of complete electronic car systems, including automatic sensors for traffic control, "will take what I'm doing. It saves time and a long time — it's a difficult cost to have us under the same united to the cost to have us under the same united to the cost to have us under the same united to the cost to have us under the same united to the cost to have us under the same united to the cost to have us under the same united to the cost to have us under the same united to the cost to have us under the c

For Saab-Scanla, perhaps. But beneath the umbrella of a newly-forged combine there may be decades of future discomfort and



A heat pump is an enticing business proposition. When it hears your premises it produces up to 21/2

times the energy it takes to run. So every pound you spend on heating can go over twice as far.

"Impossible," you say?

Not at all.

Easily located - often on your building's roof -

the heat pump can take valuable warmth from the outside air - even when it's cold.

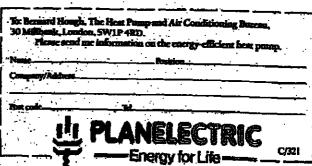
The heat pump then boosts the temperature of this heat, and circulates it where you need it. But that's only half the attraction.

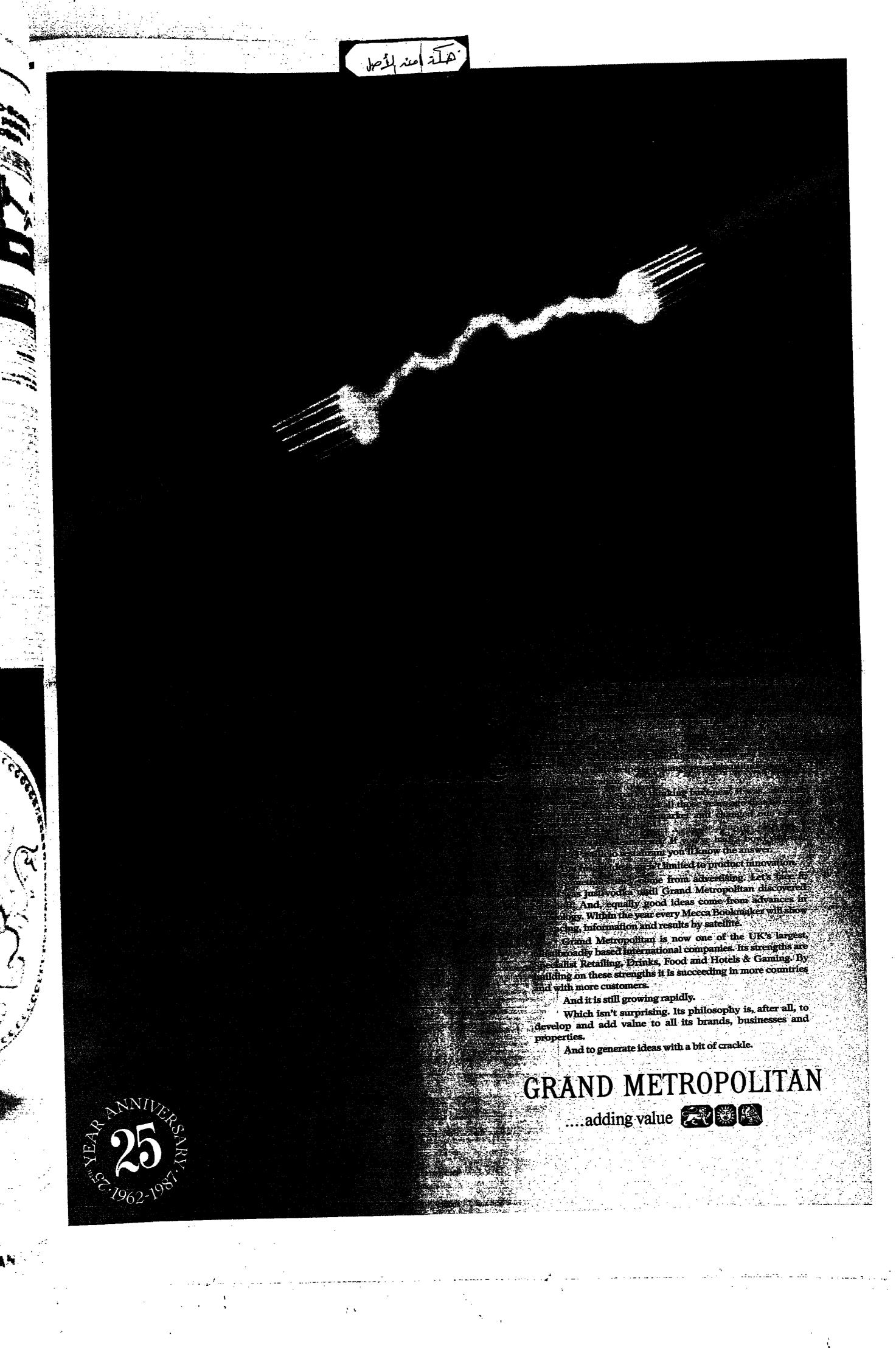
When it gets hot in your office - or in your shop, disco, leisure centre, restaurant, pub - a heat pump switches into reverse. To take away oppressive heat and deliver cool, dehumidified air.

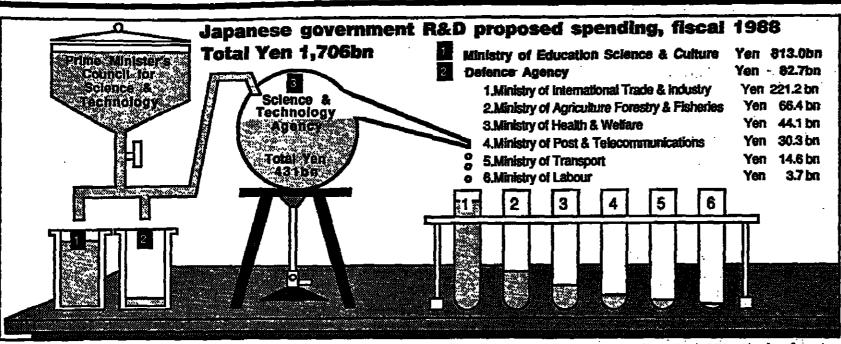
Some systems can even re-use this extracted heat. for example, to provide hot water.

So, if you're looking for a heating system that can also cool you, look no further than the coupon.

Or telephone Bernard Hough on Freefone 2282. After all, it's a chance to make your money go further







JAPAN SOAKED the West for its technology when it was a poor country, according to many foreigners. Now that times are good, they believe, Japan is hoarding its own technological advances and refusing to share them with the rest of the

Furthermore, the critics claim, the country continues to concentrate on product research, as opposed to more costly basic research. Japan is still lacking in Nobel prize winners. Its first in physiology and medicine, Dr Susumu Tonegawa, lives and works in the US. American earchers, by contrast, find job-hunting

in Japan nearly impossible.

The problem is particularly acute for foreign businesses, which recognise that selling to Japan in future depends on participating in research projects today. The US has taken up the research and development (R&D) problem as the latest in its string of bilateral trade talks with

Japan.

However, some of Japan's most senior bureaucrats are beginning to make sympathetic noises about how Japan must change its ways. To date, the country's huge leaps in technology have been made almost entirely by the private sector, aided by the guidance and co-ordinating abilities of government departments such as the Ministry for International Trade and Industry (Miti). Now, some senior bureaucrats believe the Government must take back the initiative from the

One such bureaucrat is Soichiro Ito Japan's Minister of State for Science and Technology. A former political journalist and a Diet member since 1960. Ito, 67, joined the Takeshita cabinet last November. A bouncy, energetic man with a hig smile, he cheerfully admits that he did not know that his ministry had its own research laboratories when he accepted

Indeed, tucked away in a dusty wing of the Foreign Ministry, the Ministry of Science and Technology does not appear to have the clout of, say, Miti, which controls 17 research labs and an annual R&D budget of more than Y200bn (£847.5m). But Ito intends to change that, Miti's

# Japan goes public with apparatus for basic experiments

Carla Rapoport explains how the country is preparing to shoulder a fairer share of the world's R&D burden

fiscal 1988) of Miti. Further, Ito sits on the Prime Minister's Council for Science and

The time has come to repay those countries for their favours. There is practi-

elopment by itself. Japan should pur-

sue basic research more enthusiastically," said lio in a recent government publication.

He readily admits that Japanese researchers in the US outnumber US sci-

entists in Japan by a ratio of 10 to 1. "At

influence and support for private sector R&D can continue, but he plans to build his ministry into a powerhouse of government research with centralised control over the R&D policies of all other government departments.

This control over achieved will help the control of the control over a chieved will help the control over the control

This control, once achieved, will help Japan tip the balance in R&D from the private to public sector. Following that accomplishment, Japan can start playing a less selfish role in the international

R&D community, ito explains.
"It's true that the total amount of R&D spending in Japan is about half that of the US, and that only 20 per cent of our total is spent by the Government. Our aim is to increase this 20 per cent to 40 per cent. With the increase, we hope more foreign researchers will come to Japan and more basic research will be done here," he says.

This is a mammoth goal for a new cabinet minister, but Ito believes he has both the political strength and the funds to achieve his objectives. "It does seem that Miti has a huge R&D programme and has come up with substantial results. Our agency has a shorter history (it was founded in 1957) and many of our impor-tant positions are held by former Miti people. But I stress that we are now the

the Ministry of Eduction plans for a simi-

lar number.

As for the private sector, he indirectly criticises Miti for allowing Japanese companies to pursue their own interests to the exclusion of foreigners. "We who are, involved in the administration of science. and technology must stand back and review the private sector's contribution. We must make sure it is supporting the welfare of people. Sometimes, we may have to stop some activities. If a company is only doing something to make money for its own selfish interests, we may have to step in," he says.

Basic research, he admits, has been neglected in Japan. "We criticise ourselves for not spending enough on basic research. So our goal for the future is to spend more in this area. This is a goal at the cabinet level."

Now that Japan is increasing its defence spending, for example, basic research in this area is also growing rapidly. The projected increase in defence R&D overall will be more than 10 per cent

Prime Minister's Council for Science and Technology, the top advisory body on R&D in Japan. Other members include the Prime Minister, the ministers of the extremely vague and still unformed Human Frontier Science Programme. This idea was trotted out by former Prime Minister Yasuhiro Nakasone at the last economic summit in Ven-One of the top priorities of this council, according to Ito, is to step up the Government's role in research and to open ice. Ito admits that the project's current Japan's doors to foreigners.

Japan has borrowed technologies from other countries in building its economy.

That the study is being formed with the aid of foreign scholars. The third meeting of the study group was held in Tokyo

cally no technology which Japan has still earlier this month.

to learn from other countries. Japan, therefore, has to carry out technological ister, will be talking more about the programme at the next economic summit according to ito. The objective, he says, is to "try to find the secrets of how the human body actually functions." The results will be shared with all nations. It could nevertheless be many years before such a programme moves into high gear. In the meantime, to will be continuing his battle to centralise and main agency for science and technology in Japan." he says.

"It is true that the general public doesn't know much about us, so I've been fellowships for foreign researchers and specific and strengthen the Government's role in Japan."

The same of the sa

### **WORTH WATCHING Edited by Geoffrey Charlish**

### Finns take lead in EC flat-screen project

FINLUX of Finland is to lead a European Commission project to develop large flat-screen displays for use in telecommunications networks. The other participants are Matra of France, SGS-Thomson of France and Italy, and Ghent University in Belgium

Finland is not in the European Economic Community and Finlux believes it has been chosen because of its well advanced work in flat electrol-uminescent displays. Its displays, currently monochromatic, measure about 8 x 6 inches and are only one inch thick, including control elec-

The company believes EC work will lead eventually to full-sized flat-screen colour TV sets. It has already demonstrated a monochrome set using the present displays. Matti Kaitera, Finlux's technical director, says that the aim is "to fend off the Far Eastern competition we expect in the mid-1990s."

### Security is in the eye of the beholder

PERSONAL IDENTITY checking systems, made by EveDen-tify of the US and based on retinal scanning, are being offered in the UK by Hagen Electronics of Redditch, Worcestershire.

EyeDentify of Portland, Ore-gon, considered several human attributes that could be used for positive identification, namely, finger and palm prints, written signature, voice, and retinal blood vessel patterns. It found that in terms of unique-ness and stability of pattern, retinal patterns offered the

best solution. The patterns were also preferable in terms of the ease, speed and accuracy with which they could be measured and copying or forgery,
The EyeDentify model 7.5

costs under £6,000 and can accommodate 1,200 eye patterns of people authorised to enter a building or office. The eye scanning devices can be networked into a complete system to protect many entrances. Users simply look into a binocular unit on a wall-mounted box. With 250 individuals

enrolled, the unit takes under

three seconds to allow or bar

Entering user characteristics into the system involves looking into the binoculars, concentrating on a visual alignment target and pressing a button. In under one minute, a 320-bit digital recording is stored on a memory chip.

### Shortlisted for quick change of employment

STAFF RECRUITMENT and job advertising could change dramatically if a computer-based system called The Shortlist finds favour in the UK. Over £3m is being invested in setting up the service, which will go into action on April 29.

Those wanting a job telephone 01-200 4444 for an application form. This is sent off immediately and when completed is returned by post to National IT Shortlist in Wen-

The details go into the com-puter database. The employer, for £7,745, gets an on-line screen and keyboard terminal on which he can ask the com-puter to list and give brief details on candidate

Once the job profile has been defined by the employer, the central computer selects the matching candidates from one of 10 lists covering a wide spectrum of UK employment. It can be instructed to search locally, in selected areas, or across the whole country.

When an employee-employer relationship has been established an applicant's full curriculum vitae is released. The terminal can be used as frequently as necessary, at no fur-ther charge, although access to each additional list costs £2,245. The full system with all the lists costs £15,000. National IT Shortlist believes

that unlike others which have tried to get such systems going, it has planned properly for the problems of candidate validity, speed and cost effectiveness for the employer, and confidential-ity for the applicant.

It plans to have 50,000 can-didates on the lists by May and, with a sales force of 60, has already obtained orders from top companies in the UK. These include Dixons, Express Foods and National Westmin-

Bob Birch, joint managing director of National FI Shortlist claims that "for the first time, personnel managers have a no-nonsense alternative" to advertising jobs or seeking the services of an employment agency.

### Tanker protection gains inside edge

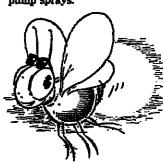
COATINGS MANUFACTURER Camrex, of the UK and the Netherlands, has introduced a product which has been formulated for the linings of chemical tankers. After application, the coating, called Camkote MX, will cure (harden) at tem-peratures down to 0 deg C.

The material is then highly resistant to such difficult chemicals as methanol, ethanol, vinyl acetate monomer and acrylonitrile. It will not absorb them, even at high tem-

peratures. Camrex says Camkote MX has a long pot life at both normal and elevated ambient temperatures, so that it offers benefits during application in warm climates. The coating is highly resistant to high temperature tank cleaning, allowing tankers to be turned around quicker between jour-

### Good news for ozone bad news for files

VAPONA, a brand of insecticide made by Ashe Consumer Products of Leatherhead in the UK, is to be made available in aerosol cans that are driven by butane gas instead of the much-criticised CFC (chlorofluorocarbon). The company is also offering some of its prod-ucts in small hand-operated nump sprays.



CFCs are thought by some scientists to be removing ozone from the upper atmosphere, allowing harmful ultraviolet radiation to pass through.

Apart from its ozone-saving implications, Ashe's announcement seems timely, in view of the minor plague of flies cur-rently at large and enjoying the unseasonable good weather in the UK.

> CONTACTS: Finhrs: Finland, 0 42001. Eye-Dentify: US, (503) 645 6866. National IT Short-Dentify: US, (503) 645 6666. National IT Short-list: UK, 0286 626303. Camrex (UK): 091 4177000. Vapona: London, 831 6131.

TO BE SEEN OF THE SECOND SECURITY OF THE SECOND SECURITY OF THE SECOND SECURITY OF THE SECOND SECURITY OF THE SECOND SECO This announcement appears as a matter of record only



### EUROPEAN INVESTMENT BANK LUXEMBOURG

80,000,000,000 Italian Lire Floating Rate Notes 1988-1996

underwritten by

AKROS Finanziaria S.D.A.

private placement managed by Mercati Finanziari S.A. **AKROS Group** 

### **Pension Fund Investment**

The Financial Times proposes to publish a Survey on the above on Thurs 21st April 1988

For a full editorial synopsis and details of available advertisement positions, please contact:

David Owen ол 01-248-8000 ехt 3300

or write to him at: Bracken House, 10 Cannon Street London EC4P 4BY.

FINANCIAL TIMES

Extracts from the Chairman's Statements contained in the 1987 Annual Reports



### **DURBAN ROODEPOORT DEEP, LIMITED**

### EAST RAND PROPRIETARY MINES, LIMITED

"The companies are intensifying their efforts to recruit local labour, particularly those dwelling in adjoining urban areas, thus enabling employees to enjoy "normal" family living and to move away from accommodation in hostels as far as practicable."—C. G. Knobbs

The next six to twelve months could be an indifferent period for gold with a slowing down in the US economy and little chance of rising inflation. Investment in relatively safe bond-type instruments will continue to be preferred while real interest rates prevail. However, the United States' inability to resolve its structural economic problems, the renewed disequilibrium and uncertainties in world economic order and international monetary policy will eventually focus

Industrial relations

The new regulations following in the wake of the repeal of the "scheduled person" definition will make it extremely difficult for all but a few blacks to

productive use of its manpower.

The companies are intensifying their efforts to recruit local labour, particularly those dwelling in adjoining urben areas, thus enabling employees to enjoy "normal" family living and to move away from accommodation in hostels as far as practicable.

### Durban Roodepoort Deep, Limited

	Year ended 3		
<u> </u>	1987	1986	% change
OPERATING RESULTS		•	
Torsmiled = 000	2 294	. 2375	-4
Gold recovered - kilograms	<i>1</i> 197	7458	.=4
Yield-grams per ton	3,14	3,14	
Working expenditure per ton milled	<b>292,67</b>	R76,76	+2
GOLD PRICE RECEIVED, AVERAGE Rand per kilogram	R29 361	R26 985	+4
FINANCIAL RESULTS	<b>3.888</b>	R000	
Working revenue	211,309	201 619	
Working profit/(loss)	(1 284)	19 308	
Profit before appropriations	12 245	23816	
Appropriations for net expenditure on mining assets	28 203	19 788	•
Earnings/(loss) - cents per share	. (686)	173	٠
Dividends - cents per share	-	100	

During the coming year it is expected that the recent improvement in the gold grade will be maintained and that the mine will operate to its capacity. However, a gold price of R30 300 per kilogram will be required if a working profit is to be achieved. This is vitally important as the repeal of the Gold Mines Assistance Act on 1 January 1988 means that no further financial relief under this scheme will be forthcoming.

### East Rand Proprietary Mines, Limited

	Year ended		
	1987	1986	% change
OPERATING RESULTS			
Tons miled = 000	2 446	2712	-9,8
Tons of sand treated -000	133		==
Gold produced from underground (kg) Gold produced from sand treated (kg)	8 735 106	9 223	-5,3
Yield - grams per ton - underground	3,57	3,40	+50
Yield grams per ton - sand treated	0,88	_	- ==
Working revenue per ton milled	R106,33	R93,85	+13,3
Working expenditure per ton milled	R132,54	R102,12	+29.8
Working loss per ton milled	R26,21	R8,27	+216,9
GOLD PRICE RECEIVED, AVERAGE			
Rand per kilogram	F29 308	RZ7 607	+6,2
FINANCIAL RESULTS	R'800	R'000	
Working revenue	260 093	284 519	
Working expenditure	<u> 324 281</u>	276910	
Working loss	64 108	23 391	
State assistance	. 42	18810	
Other income/(expenditure) net	(3 139)	1 885	
Loss	67 205	696	
Capital expenditure	132 325	83.303	

In the coming year, capital expenditure will be lower at R79 million, the bulk of which will be spent on the Far East Vertical Shaft project. An increase in tomage is expected as a result of the unionalisation exercise which took place in the latter half of 1987. Cold production should increase to 11 tons in 1988 due to an overall increase in tomage milled, higher grade one from the Far Fast Vertical area and gold recovered from the treatment



# Whon you've had a few and you've miles from home, it's not your bision that does the thinking.

hese words were spoken by Robert.

Four years ago he was diagnosed as

HIV positive. (HIV is the virus which
causes AIDS.)

He has never had a homosexual experience, nor has he ever injected drugs.

He is 42 years old, and until recently he was an executive with a large multinational company.

To protect him, his name and some of the details have been changed, but in all other respects the story is true.

"You could say I'm part of the generation that thinks it invented sex.

I'd always taken it for granted that easy sex was my birthright, and during 20 years of working life I had plenty of chances, because travel was a large part of my job, mainly in Europe.

I'm not saying that all businessmen when they travel behave like I used to.

But enough of them do, and enough of them are going to screw up their lives if they carry on.

### TEMPTATIONS

When you're on your own abroad and you've just finished a tough day, you feel you deserve something more exciting than bed with a good book.

Drinks, dinner and drinks might kill three hours, but by then it's still only 10 or 11 o'clock and a lonely bed beckons.

When I was in that situation, and loosened up by the booze I'd be looking for a girl to chat up.

But if that didn't work, I'd be quite happy to pay for it.

If I was with a crowd of colleagues, and the drink had done its work, we'd end up egging each other on.

Someone would say half-jokingly, Let's have a look at the red-light district; so we'd all lurch off down there.

Many of the people I was with, of course, would never dream of behaving like that at home.

At other times I'd be visiting client companies and I'd go out in the evening with them and their wives.

Often, a companion would be provided for



me at dinner. Sometimes she'd be a secretary or P.A. with the firm, sometimes not.

Most of this, of course, was before the age of AIDS. I never wore a condom, because at that time people just didn't.

In any case, the biggest danger casual sex seemed to hold then was a dose of clap (which I never got).

If I could have that time of my life all over again, I'd think at least twice before having casual sex.

And if I ever did get tempted, I'd always use a condom.

If anyone thinks they'll find this difficult, they should keep reading.

### CONSEQUENCES.

In 1980 I was very ill for six weeks.

After that, there was no more trouble until several years later.

I became ill again. I wasn't getting any better and nobody knew what was wrong.

I was living abroad at the time, and I went back to London for a blood test.

When they told me I was HIV positive, I went absolutely numb. I don't know how I got home. I wasn't really conscious.

It was like being told I was going to die, and that knowledge almost destroyed me completely.

I locked myself away.

I rejected other people, I could never have coped with them rejecting me, so I simply made their minds up for them.

I haven't told my parents because of the hurt that it will give them.

But from this time, there is one moment that haunts me above all others.

I was walking past a café one evening and at a table by a window I saw a boy and a girl of about 17 kissing and cuddling.

I burst into tears at the horror and misery of seeing what I felt I'd lost forever.

When it comes down to it, it isn't difficult to die.

What's difficult is living with a death sentence over you and knowing that you've lost so many things that make life worth living.

So, before you put yourself at risk of being infected, ask yourself one thing. Are you strong enough to cope with what I've been through?"

### AVOIDING AIDS.

Eventually, with help, Robert learned to build a new life and start living again. He has not yet developed the full disease.

But since he became infected, the risk of AIDS has substantially increased, both in this country and abroad.

Unprotected sex with just one person with the virus can be enough to infect you, and you can't tell who has it by looking at them.

(Even if you ask them, they might not even know themselves.)

And the more partners you have, the more chance you'll come into contact with someone who has it.

If you have sex with a new partner, make sure it's your brain (and nothing else) that does the thinking.

Always use a condom.

Your life could depend on it.

HEALTH EDUCATION AUTHORITY

IDS. YOU KNOW THE RISKS. THE DECISION IS YOURS.

### **Company Notices**

### East Daggafontein Mines, Limited.

(Incorporated in the Republic of South Africa) ("the Company")

Options to subscribe for ordinary shares in the Company
— extension of the famil option exercise date

UAL Merchant Bank Limited is authorised to announce that, as a consequence of the Company having changed its year-end from 31 December to 31 March, it is necessary to extend the final option exercise

The terms of the options provide that, in the event of the Company changing its financial year-end, the Company is obliged to alter the option exercise date to a date not less than six weeks after the posting of the Company's annual financial statements to optionholders. It is expected that the annual financial statements will be posted towards the end of June 1988 and, accordingly, the final option exercise date has been extended from

Friday, 27 May 1988 to Friday, 12 August 1988. Each option entities the holder thereof to subscribe for one new ordinary share in the Company at a price of 700 cents per share. The listing of options on The Johannesburg Stock Exchange, The Vancouver Stock Exchange and on The Stock Exchange, London, has been ended in like fashlon.

A copy of this announcement will be posted to all optionholders who are requested to attach it to their share option certificates thus amending the certificates to take account of the changed final exercise date A circular and form for the exercise of the options will be despatched to optionholders by not later than 30 June 1988.

UAL Merchant Bank Limited (Registered Bank)

11 March 1988

### LAFARGE COPPEE

US\$ 40,000,000 15½% 1981/1989

On February 26, 1988, Bonds for the amount of US\$ 4,000,000 have been drawn in the presence of a Notary Public for redemption on April 15, 1988.

The following Bonds will be redeemable coupon due October 15, 1988 and following attached: 6156 to 6347 incl. 6572 to 6581 incl. 31097 to 33684 incl. 6373 to 6475 incl. 6493 to 6567 incl. 6587 to 6870 incl. 6904 to 7651 incl.

Amount outstanding: US\$ 8,000,000

Bonds previously drawn and not yet presented for redemption: 1471 to 1475 incl.

1479 to 1482 incl. 1560 to 1563 incl. 1704 to 1708 incl. 1704 incl. 1845 and 1846 2038 to 2045 incl. 2227 in 2229 incl. 2822 and 2923 5002 to 3008 incl. 3566 to 3598 incl. 3566 to 3598 incl. 4247 to 4248 incl. 4337 1502 1685 incl. 1820 and 1821 2001 1820 and 1821 2007 2054 incl. 2884 and 2885 2028 to 2630 incl. 3011 to 3020 incl. 3981 to 3386 incl. 3985 to 3086 incl. 4254 to 4260 incl. 4377 3302 to 5308 incl. 4254 to 4300 incl. 4337 25385 to 3308 incl. 4254 to 4307 incl. 4337 25385 to 25367 incl. 28385 to 25367 incl. 1682 to 1696 incl. 1823 to 1836 incl.

Luxembourg, March 11, 1988

The Fiscal Agent KREDIETBANK



the Styler share warrants for a certificate of their holding from a banker or other section at the bearer reception office in the United Kingdom, or they must produce warrants at the office of the Parks correspondents, in both cases at least two closes of least opportune of the holding of the meeting and said outply with the "Conditions governing share warrants" carrently to force. Upon tion a proxy form or an attendence form will be issued under which such above for my be represented at the nameting.

Rolders of share warrents to bearty may obtain a copy of mon sonication to dis Holborn Visdous, London ECIP 1AL



### **Contracts & Tenders**

NOTICE TO WARRANTHOLDERS OF THE CHEYODA FIRE AND MARINE INSURANCE COMPANY, LIMITED

11) the brains in investment in the Veryoos tree was results assessment Company, Littled II.

Company's at its meeting held on the March, 1966 resolved that the Company will radius
free distribution of sheres of its common stock on 20th May, 1968, Tokyo time, to 8
shareholders of the Company Registered on its Register of shareholders as of 31st March
1968, Tokyo (the "Record Cater"), at the ratio of 0.05 new shere for each one share owned it

result of such free distribution, the subscription price in respect of the captioned, which is currently 852 Yea per starts, will be reduced to 840 Yea per share of the Ye common stock to accordance with clause 3, personately 8) of the leaturement. The surjoint price will become effective on 1st April, 1985, Tokyo time, which is the day

The Chiyoda Fire and Marine Insurance Company Lin By The Long-Term Crack Bank of Japan, Limber London Branch
Principal Paying Agent and Warrest Agent

### Clubs

**Art Galleries** 

has outlived the others because of a policy on fair play and value for money. Supper from 10-3.30 am, Disco and top musicians, glamortop musicians, glamor-es, exciting floorshows. 189, Regent St., W1.01-734 0557.

Eve

# RICHARD

GREEN. 39 Dover Street, W1 493 3939 "GOOD COMPANIONS" Paintings of Dogs and Cata Mon-Fri 10-6, Sats 10-4 Opens February 10

### **BUSINESS LAW**

In the second article of a series on the widening of access to legal assistance, John G. Fleming puts the case for introducing contingent fees in the UK

# How enterprising lawyers could help

THE OPREN litigation has led to widespread calls in the UK - from the media, the beach and

the less well off

lesin, tradition and certain negative perceptions about it—some plaintiffs, irrespective of their deserved, others misconceived—have combined to resist its infroman's key to the courthouse."

The arrangement is distinctly the plaintiff accepts a smaller costs; but this can be stifled by winning litigant is ordinarily sum if victorious, rather than entitled to reimbursement of his lawyer would accept a man and pad their billing.

Finally, concern has been expressed about the adverse fund in any event. The commission, however, was not pertain age excessive zeal to win at all excepts a smaller costs; but this can be stifled by exhaust the fund, but also disciplinary controls. A related disciplinary controls. A related complaint is that it promotes unmeritorious litigation; however, was not pertain disciplinary controls. A related costs, including most of his lawyer would and pad their billing.

Finally, concern has been find in any event. The commission, however, was not pertain age excessive zeal to win at all disciplinary controls. A related disciplinary controls. A related complaint is that it promotes unmeritorious litigation; however, was not pertain age excessive zeal to win at all disciplinary controls. A related control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater with the latter can be terminate the fund of the fund. But his attorney was not pertain age excessive zeal to win at all disciplinary controls. A related control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the risk of a greater control of his attorney who bears the r

letier trend in the US to authorize "fee shifting" from winning plaintiffs to defendants — to decision, not a bureauxistic one tike law enforcement in particular against contingent fees. In full vigour in traditional common law actions for tart or brother trend of contract.

Justifications for either rule are largely impressionistic. The series extend of shifting the loss rather than as mercenaries who to the loser is defended as makhave to carn a living. The most lesser extent, as punishing wrongdoers. Defenders of the American rule, on the other hand, argue that since litigation is at best uncertain, parties should not be penalised for defending or prosecuting a claim.

The scale found in England and less where But this could not be enterprise less where. But this could not be enterprise and surface accomplished without this co-existence of other factors: especially jury trial, the tolerance of sympathetic judges and the more inodest rule of social well off.

A variety of objections are security. The absence of these security. The absence of these factors in the UK should dispet to the more egolitic contingent fees. Some of these have elitist over factors in the UK should dispet to the more defended as makhave to carn a living. The most line of a replay.

A problem which tends to be overlooked by advocates of unlikely bediellows: left of central than alliance between two the UK is how to square it with favouring the underdog; and the winder size of the plaintiff is the victor, and of publicly funded profile of the plaintiff is the plaintiff is the law of the factors of the security of contract.

The author is Turner Professor of Carly-law or the plaintiff is the plaintiff is

abould not be penalised for defending or prosecuting a claim.

They add that the poor would be especially and unjustly discouraged if the penality of losing locked the fees of their opponents. While the incentive and disincentive appear at first sight to be equally balanced, the American rule probably favours litigants of modest means, who are apt to be risk-averse, whereas wealthy and frequent litigants to the contingent fee does not a mother to contingent fee does not a mother to require him to reimpose the defendant out of his award by the contrary. In the contingent fee does not another to require him to reimpose the defendant out of his another to require him to reimpose the defendant out of his own pocket. Or is the defendant out of his own pocket. Or is the defendant out of his own pocket. Or is the defendant on his recent lecture at the Centre for Commercial Law Studies of the frees of their opponents. While the incentive and disincentive appear at first sight to be equally balanced, the American of the award by the care, no punitive damages and care, no punitive damages and the reduction of the award by the care, no punitive damages and amount of the disability benefit; the reduction of the damages and defendants, especially US corpounce of deriving "enorging the first article in the series was operations, are "fair game"? In first article in the series was operations, are "fair game"? In first article in the escalation of litigation in that the arrangement cut both the US, will be published next ways; in other words, there

should also be adoption of the basic American rule that each lit-igant bears his own costs.

even in Parliament — for the introduction of the contingent fee as a solution to the evident inade as a solution to the evident inade and consists only in the special arrangement between the plaintiff and his attorney. As it is an inbufft temptation to settle claims by persons of modest means.

Until the last minute appearance of a "white knight" in the Opean case, a large group of indeed attorney. As it is an inbufft temptation to settle claims below value on a mass volume scale, in the belief that the cost of further litigation the risk of loss from him to the plaintiffs, who were above the attorney. For this he has to pay a price, namely a premium on the plaintiffs, who were above the stituney's fee if he loses, it shifts the cost of further litigation to settle the cost of further litigation that the contingent fee is that it provides easier access to justice for plaintiffs, have solved their problem, tradition and certain negative perceptions about it — some plaintiffs, irrespective of their polarities, irrespective of their problems. In the mid-1970s, Justice, the

his legal costs but also the winner's.

By contrast, under the "American role", which developed during the 19th century, each litigant bears his own attorney's.

Sy contrast, under the "American role", which developed during the 19th century, each litigant bears his own attorney's will, in his own interests, screen
fees, win or lose, Despite a legislative trend in the US to expand legal
special role in the Intraction
that Chancellor
recently expressed his support
for a Law Society recommendacourts in the US to expand legal
special role in the U

The author is Turner Professor of It is one thing to persuade a Law at the University of Califlawyer to risk his own fee; quite ornia, Berkeley, and the Goodhart another to require him to reimports the defendant out of his University. This article is based on his recent leaves at the Cartesian of the Cartesian

### THE NEW LOOK MALAYSIA AIRLINES AND A RENEWED DEDICATION TO TRADITIONAL HOSPITALITY



f malaysia

TO SOME PEOPLE HIS 12 MONTHS OUT OF WORK COUNT FOR MORE THAN HIS 20 YEARS IN WORK.

He's in his early 40's.

He needs to work and wants to work.

He has 20 years of valuable experience to offer employers.

He's also prepared to adapt and learn a new skill, if it will get him a job.

So why can't he even get near to an interview most of the time?

Especially now that there are more jobs around.

The trouble is that when someone like this applies for a job, the only experience anyone seems to take into account is his time on the dole.

This simply doesn't make sense.

Many employers throughout Britain are missing the opportunity to take on people who are keen, experienced and ambitious.

And who only need a chance to show what they can do.

So before you dismiss the unemployed as unemployable, think again.

And give your local Jobcentre a call.

We'll send you people who'll be more than keen to work.

And who you'll be keen to have working for you.



There's a job to be done.

# Caution is the key in New Jersey

By Sue Morrow Flanagan

PROPERTY DEVELOPERS on the booming Gold Coast of New Jersey are responding cautiously to the effects of last October's

stock market crash.

Major commercial developers. the long term players, expect to sail through any financial shocks and some say there are already benefits coming from corporate moves to low cost locations. But hundreds of small residential

City of London, so the prospects for the New Jersey waterfront, one of the major US regeneration areas, depend at least in part on what happens in New York.

miles from George Washington Bridge to Bayonne, faces the west side of Manhattan across the other side of the Hudson River. 'if Manhattan's economy softens, then we may be getting more workers from New York," said

one developer.
The stakes are high. "It's a revolution. We're building a whole new city on the waterfront. In dollars we're talking mega num-bers," observed Rick Cohen,

frenzied development. By the been built 35m square feet of office space, 3.4m square feet of

hundreds of small residential developers and speculators who had been riding a boom have seen their market soften.

Just as London Docklands is sensitive to what happens in the City of London, so the prospects been a home for railway yards been a

Despite the glamorous name, It is this sort of argument that Gold Coast, many of the water- is also brought into play by front areas still look like a war Olympia and York, the Canadian zone - abandoned railway yards, rotting plers and derelict ware-

ment of housing and economic .market crash look short term. Thomas Kean, Governor of New For seven years there has been Jersey, maintains his stand that frenzied development. By the despite lucrative tax abatement year 2000, according to New Jer-sey state officials, there will have York City there will be "a tidal

wave" of relocating companies. Significantly, less than two shopping space, 4200 hotel rooms, months after the crash Colgate-42,000 car parking spaces, 6150 Palmolive, the consumer prod-boat slips and more than 35,000 ucts group which has a 167 years residential units.

and industry since the nine square feet of space, 1500 apart-teenth century. But the tradiments, a 400 bedroom hotel and a tional industries moved or died marina and create parks and a

during the 1950s and 60s. waterfront esplanade.

Until developers began to shout "Gold", the waterfront dent of Cushman Realty, the Los communities ranged from slums
for ethnic minorities and immigrants to the decaying gentility
of Hoboken's brownstone homes.

Angeles company acting as Colgate's development consultant,
sees a silver lining in the clouds
of Black Monday.

group, working in the different but comparable environment of Canary Wharf in London Dock-Transformation is inevitably lands: if the economic climate long term and against that back-becomes harsher companies look ground, the effects of the stock for modern accomodation in new



business districts which are industrial buildings constructed cheaper than the traditional core with exceptional load bearing

tre in Jersey City. This is a 22m As part of the counter, two project where 2000 offices are being developed on 55 acres by to form a 330 bedroom luxury lotel and 300 residential units WEST pension fund, which bought the site in November 1000.

"optimistic about 1988" but ened by the crash but, he sug-acknowledges "there will be a fall gest, "residential sales will get acknowledges "there will be a fall gest, "residential sales will get last year, off in office space requirements, burt." Certainly the prospects for perhaps as much as 20 per cent." the residential elements of the minium contract are going on which is familiar in taking place are patchy.

There is evidence of a shift contract.

There is a broadly similar anal. a way that makes them suitable ysis at Harborside Financial Conformations.

for \$127m.

Charles K. Simberg, the chief that the prospect of corporate executive officer, is, as he put it moves to New Jersey is height-

away from Hoboken, for example by families which had moved in but have become disenchanted with their surroundings. Yet at tium developing the Port Liberte the \$10bn Newport project in project in the shadow the Statue New Jersey, where the conversion of the waterfront started, mercial space, a hotel and yacht "sales and rentals have been club, Port Liberte will have 1690 the project in the shadow the Statue New Jersey and the shadow that doing extraordinary well," according to Edward Cortese, senior vice-president of Newport

The comany is a consortium of three developers led by Sam Le Frak of New York. By the end of last year, Mr Cortese noted, two thirds of the 450 units in a condominium complex - where apart, ments are built for ownership rather than rental - were under

A similar line was taken by Marianne Bell, vice-president of a US-French-Swiss-German consor-

She saw little impact from the stock market crash, pointing out that 303 of the 363 residential units under construction in the

housing units on a 2% miles net-

first phase had been sold. And here lies the rub. Bob de Ruggiero, a Hoboken real estate agent, said the market for upper range condominiums, costing more than \$180,000 is glutted.

under discussion, to limit condo minium conversions, the market will get softer, he said.

The speed with which developers have cashed in on the New Jersey real estate boom with the conversion of old apartment blocks into condominiums has put housing prices out of the reach of the local community.

Yet the state itself is fully behind the regeneration of the waterfront. Governor Kean has created an Office of Waterfront Development. The state is rebuilding the entire infrastructure of roads, replacing the sewers, installing a north-south light rail system and creating an 18 miles

WIT

long waterfront walkway.

This, plus the grant of tax concessions to relocating companies. is its main contribution to waterfront regeneration. So far though the pace of development has out-paced the provision of the infra-

structure.
Unlike the British system of fast track planning through urban development corporations, New Jersey is using existing mechanisms. Environmentalists complain that the building permits are given out too easily.

on the other hand the Port Liberté project needed consents from 25 different state agencies to get work underway. And Arthur Imperatore, chief of Arcorp, is having considerable difficulty in gaining planning consent for a grandiose \$5bn ven-ture to build 15,000 residential units in a Greco-Roman style on a site north of Jersey City. All then is not glitter on the Gold Coast, for either developers

said Mr Simberg, "is a sign of what's expected, not what's hap-

# **BANKING/PROPERTY LAWYER**

# Partnership calibre appointment with leading City law firm

Our client, one of the City's foremost legal practices, has a substantial and thriving property department which is particularly strong in the field of commercial property development. The intention is to capitalise on these connections by creating a group which will centralise secured lending and aspects of property finance and achieve a balanced portfolio of property development and property lending clients. To realise this objective demands the appointment of a senior person, with or without following, who combines the understanding of property development with that of financing it through bank

lending. It is accepted that such a person may have gained this expertise from experience in either a banking or a property organisation. Our client would also consider the engagement of an existing team able to benefit from substantial back-up and resources. The appointment offers considerable potential and remuneration commensurate with the seniority of the position.

To find out more about this opportunity, telephone Eric Sutton on 01-222 7733 or send a copy of your cv marked for his attention to Harding Legal Recruitment, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP.



# 19 Berkeley Street

Prime Banking Building Society Office Un Ground & Lower Ground Llows

Also available

Magnificent air conclinencel office since on upper floors 1000-10000 sq ft





Auction to be held on Thursday 14th April 1988 at 2.30p.m., The Methven Suite, Centre Point, 103 New Oxford Street, WCT 14 Freehold, Long Leasehold and Heritable Properties (unless previously sold) TOTAL CURRENT GROSS INCOME £405,342 per annum

ABERDEEN, 32/38 Commerce Street, Grampian Heritable Industrial Investment, comprising three modern units, close to docks, Reviews from 1989. 43,000 ACCRINGTON, The Arcade, Church Street, Lancashire Freehold Retail/Office Investment, comprising 20 retail units, 13 office suites and a wine bar. Reviews from 1988. 68,792 BARNBY DUN, Station Road, South Yorkshire Freehold Supermarket with Full Vacant Possession, 1.06 Acre Site, close to Dancoster and M18. BILSTON, 28/36 Church Street, West Midlands Freehold Retail/Office Investment, Part Vacant, Comprising 4 shap units with 2 floors of self-contained Offices over. Reviews from 1988. 24,650 DUNDEE, The Former Comperdown Works, Methven Street, Lochee, Tayside 27 Acre Heritable Development Site (subject to appropriate a Subject to Advertising hoordings (fronting Harefield Road). The High Mill area of the Site could be sligible for grants if converted to housing. 3,000 FAREHAM, Units 1 & 2, The Avenue, Hampshire Freehold Industrial Investment. Two modern single-stoney industrial units with ancillary parking. Reviews 1989. 19,000

**HOUNSLOW, 6 Lampton Road, Middlesex** Long Leasehold Office Investment, Modern double glazed, air-conditioned, detached building with car parking. Let to Prin Computers (UK) Ltd. 300 vds from Underground, close to Heat Aurport M4 and M25. Review 1989. LONDON W8, 12 Straiford Road, Kensington & Chelsea. 90,000 MUSWELL HILL, N 10, 117 Muswell Hill Broadway and 121 Avenue Mews
Freehold Retail/Residential Investment, let to W.H. Smith, 1m south of North Circular, Review 1992. 15,750 NEW MALDEN, 175, 177, 179 & 179A High Street,

150

20,000

10.500

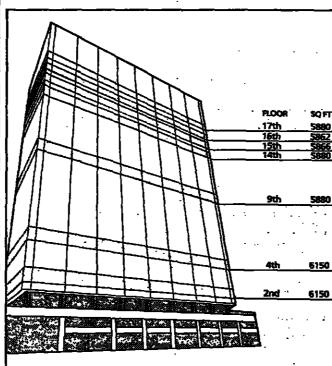
Surrey
Freehold Retail Investment, comprising two Shaps with self-or masonette above. Expiry 1992. RICKMANSWORTH, Units 13 & 14 Peerglow Industrial Estate, Hertfordshire Freehold Industrial Investment. Two madern single-storey un parking. Imminent Reviews. SIDMOUTH, 3/5 High Street and Flat 1,

High Street, Devan Present, Comprising two Shop units and self-contained maisonette. Review 1989. 19,550 SWANSEA, 233 Oxford Street, West Glamorgan Long Leasehold Resail Investment, Let to Oddbins, 66 years unexpir Rent Review due. 13,500 TUNBRIDGE WELL, Lizzanne House, 4/14 (even)

Our next Auction will be held of CENTRE POINT, 14TH MARCH 1988 on behalf of Boots the Chemists Ltd

Edward Erdman

01-629 8191 For further information contact our Auction Personnel.



Air-conditioned offices for immediate occupation. 6,000 - 42,000 sq. fi.

○ Suspended ceilings ○ Raised flooring ○ Car parking. 24-hour access o Landmark building o Views across the City

LETTING AGENT WRIGHT OLIPHANT 30 CORNHILL LONDON ECSV 3ND 01-929 0854



A BUILDING OWNED BY GREYCOAT GROUP PLC

Westwick House Hemel Hempstead An Attractive Country House 4.5 Acres approx with the benefit of outline planning permission to form a luxury 60 Bedroom Nursing Home

For Sale By Tender Closing date noon, 29th April '88.

Contact: Tim Matthews Hillier Parker

FAULKNERS 09277-68166.

### Enterprise Zone Developments

### 100% tax relief on the price of industrial

and commercial buildings

RENTAL INCOME GUARANTEED

FIRST CLASS LOCATIONS

LONG TERM CAPITAL GROWTH

HIGH STANDARD OF DESIGN

COMPETITIVE YIELD

For further information contact: Jeremy Bolland **EZD Property Group PLC World Trade Centre** London E1 9UN Tel: 01-480 7513

### Enterprise Zone Developments

### **RECENTLY OPENED 36 FENCHURCH STREET**

LONDON EC3 **FULLY SERVICED OFFICES** AVAILABLE

**OCCUPATION** PRESTIGIOUS BOARDROOM AND CONFERENCE FACILITIES
REUTERS\*TOPIC\*AND TELERATE LINES

SHORT OR LONG TERM

PHONE ALISON GOURLAY FOR DETAILS 01-929-5252

LOCAL LONDON GROUP PLC

### On the Instructions of ALLIED DUNBAR

15 Whitehall, London, SW1

3,205/9,525 sq.ft. (3 floors) g ◆ Lifts ◆ Prestige Entrance ◆ Cor Kingsbourne House

229/231, High Holborn, London WC1 First Floor 5,000 sq.ft.

Lift ◆ Central Heating ◆ Commissionaire Chesterfield House

15/19 Bloomsbury Way London WC1 6,763 sq.ft. Superb Modern Floor ng ♦ Lifts ♦ Prestige Entrance ♦ C

Kingsway House 103 Kingsway, London WC1 850/9,740 sq.ft. Various Suites Lifts + Central Heating

For further information contact Laurence Braham or Neil New

BRAHAM GOOD partners

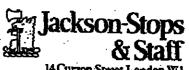
01.935 1653 STATE AGENTS, VALUERS & SURVEYORS ab Self

adquar

Buil

# For Sale Somerset House and Nº 7 Blagrave Street -Reading

**Important Freehold Investment** with early development potential



14 Curzon Street London W1 Telephone 01-499 6291 . . .

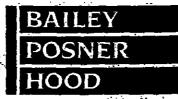
**SUPERB AIR-CONDITIONED OFFICES** 

8,770 sq.ft. WITH CAR PARKING INCLUDING

**FULLY EQUIPPED DEALING FLOOR** 

VALUABLE LEASE FOR SALE

Claridge House BAILEY 32 Davies Street London W1Y 1LG 01-629 4640





### **100% TAX RELIEF** AVAILABLE THIS YEAR

on office/showroom/industrial properties

KENT ENTERPRISE ZONE Steven Rogers/Richard Barlow

THE BROMBARD GROUP Tel: Brighton (0273) 728311

WIMBLEDON HEADQUARTERS OFFICE BUILDING

Region £2 million

percial 01-546-2166

### SE1/CITY FRINGE

Superb 625 sq ft wharf office. To Let

Michael Kalmer & Co 01 403 0600.

"MOTEL FOR SALE"

Contact Mr. Tarik Choudhury telephone Florids Business 313-5861976 Residence 7268101 in UK telephone Mr Faruk Choudhury 091-285 2229

20,000 - 30,000 sq ft

Office Building Required F/Hold - L/Hold Belgravia, Victoria, St James's Mayfair, Euston Institutional use acceptable.

Write to box T6890
Financial Times, 10 Cannon Street, London, EC4P 4BY.

Shops & Offices

South Molton Street

London W1. Superb shop premises on Lease at £46,300 pa for sale or business available as going concern. Sole Agents Goldenberg & Co 01-491 4101.

MAYFAIR **OFFICE HEADQUARTERS** 

7,000 SQ.FT. LONG LEASE FOR SALE

Reply to Box T6600, Financial Times, 10 Cannon Street. **London EC4P 4BY** 

### **International Property**

### THE CONCOURSE

### SKELMERSDALE LANCASHIRE

### FOR SALE With a requirement to REFUREISH

- \* Freehold and fully income producing.
- \* Major town centre shopping facility.
- \* Current Income £840,000 p.a.







### **Superb Self - Contained Headquarters Office Building**

Mayfair 5000 SQ FT All Enquires:

Debenham Tewson & Chinnocks 01 -408 -1161 (Ref.JMPCT)

### **M4 PROPERTY**

The Financial Times proposes to publish this survey on Sth April 1988 For a full editoral synopsis and details of available advertisement positions, please contact:

louse a line Sur

JONATHAN WALLIS on 01-236-2825

> or write to him at: Bracken House

### **108% TAX ALLOWANCES**

Completed Office Building

**Bank Guaranteed Return Gross 15%** (for top rate tax payers)

£210,000 to £1.25m Steven Rogers/Richard Barlow

THE BROMBARD GROUP Tel: Brighton (0273) 728311

**AUCTION SALE 30TH MARCH** (UNLESS SOLD PRIOR)

788/788 FISHPONDS RD. FISHPONDS. BRISTOL. AVON (6 SHOPS + UPPER PARTS LET F.R.L TENANTS INCLUDE WOOLWORTH, BARCLAYS, LENNARDS, PETER DOMINIC. PROD £38,515 P.A.X.

SOMERVILLE HASTENGS HOUSE 14-24 STOCKWELL PK CRES, LONDON SWING (VACANT OLD PEOPLE'S HOME - 71 BEDROOMS, 2 S/C FLATS, FULL GAS C.H. CAR PARK)

123/129 GRAYS INN BID, LONDON WCI (#STOREY BUILDING COMPRISING OFFICES - 10,285 SQ FT, RETAIL - 1,185 SQ FT, RES - 1,225 SQ FT, INC LEFT + GARAGES)

HARMAN HEALY & CO 14 ROGER ST. WCI 01-405-3581.

### **10 Upper Grosvenor Street** LONDON W1

7,700 sq ft Approx TO LET

\* Full Central Heating \* Lift \* Carpeted Throughout \* Kitchen All Enquiries ref: - NCR or PJC



### TAX SHELTER IN LONDON DOCKLANDS

LEZ the most successful Enterprise Zone in the country. Newly built office building - major covenant available. Price guide \$7.5 million.

**DETAILS FROM DEVELOPERS** 

### (0532) 455622 - P. F. Smith

SOUTH KENSINGTON FREEHOLD OFFICE/ RESIDENTIAL Magnificent period property with parking

> c.7,400 sq.ft. £2.75m

**BOSTON GILMORE** 

01-351-7177.

HAMPSTEAD, NW3 SOLE AGENTS vellous freebold, divided into 2

marvellous treenost. Grynnes and a exquisite maisonettes plus a separate doctors surgery at rear with parking (Subject to planning permission possibility to build small house with garage or office and studio). £750,000 FREEHOLD FITZROY 431-0184.

STRATHCLYDE PRIME RETAIL INVESTMENT BLUECHIP COVENTANTS LOT SIZE - c £4.5 MILLION Exquiries to Box No T6886, scial Thors, IB Cosson Street,

Loudon, EC4P 4BY.

SOUTH WEST LONDON - Freehold land or Was-shause Circs 4,000 so it required. Apply Box 16888, Financial Times. 19 Cannon Street, London, EC4P 45T.

### RARE OPPORTUNITY RETAILER

9.90 SQ.FT. with 1000 SQ.YDS car parking single stoney building: with 2 stoney office block. Simuted 1 mile from City Centre within Manchester's largest out of soon read development. Neighborn inchée B & Q. Allind, MP1, Halfords, W H Smith- Do 11 All. Magnet & Southerns.

Offices he excess of £249,000 will be considered for the freshold.

### OFFICE REQUIREMENT WI/SWI

adquarters building for PLC Freehold of long lenefield. Minimum 5,000 m, ft. Would tomider larger property. Principuls or retained Agents only. Write to Box 76585,

Financial Times, 10 Common Street. London, EC4P 48Y.

HEATHROW EXECUTIVE OFFICES Prestige effices miter, 250 - 500 square fort (great) available now at Heathers Airport within major hold. Mainton fectore period I year to include eases, repairs etc. cample communications. Fed hond, facilities and parking for Licenser WILLIAM EVE & SONS

TAX SAVING PROBHOLD PROPERTY INVESTMENT 100% IBA's

Chartered Surveyors
Tel: 01-897-7349 Fax: 01-897-7340.

New roted werehouse guaranteed rental income yielding 7.4% pretax. 18.5% post tax allowances. Units from £105,000 up to £610,000. Homoguerd Securities Ltd., Mit St. East Devisiony, WF12 BAH 0824 - 482324

### **SPAIN**

Investor in Real Estate seeks active partner to complete project over more than 350 hectares land overlooking Mediterranean. Project includes 18 holes Golf Course with 200 villas, Hotel, 86 Apartments with shops, 40 Townhouses with large Swimming-pool. 4 hours drive from French border and 45 minutes from Valencia. Area fully developed, own water supply. For further information please state

> and indicate financial references. Please write to the Swiss Coordinator as follows: P.O. Box 1180,

> > CH-8700 Kusnacht, Switzerland.

interest for total or parts of this project

### "STROGET" COPENHAGEN

Do you wish to establish in Copenhagen - e.g. in fashion - then this is a unique possibility to acquire the lease of a 230 m² shop plus basement on Copenhagen's pedestrian street "Stroget" with the Illums Bolighus and Royal Copenhagen as neighbours. Please apply to:

Ms Monica Sally, Lawyer. DK-1021 Kobenhawn K

Phone: Int+45-1-158000 Telefax: int+45-1-155196

**GREATER BOSTON (USA)** 

HI TECH AREA

- \$6 Million Real Estate Investment Partner(s) Preferred, Sale Possible
   Luxury Golf Course Community
- Currently Under Development
   \$35 Mil in Current Bank Lines
   \$30 Mil Residential Sales To-Date
- \* \$150 Mil Future Residential Sales
- S10 Mil Championship Course & Club
   S10 Mil Inn and Conference Center
   S10 Mil Retail and Office Center
- Developer with Track Record Integrated Development Team

Additional details will be sent in confidence to qualified principals or their acknowledge advisors.

Box T6889 Financial Times, 10 Cannon Street, London, ECAP 4BY.

### **NEW FOUR STAR HOTEL**

60 rooms all with seaview, bars, restaurants, shop, conference room, swimming-pool, entertainment area. Marvellous tropical beach. Opening: Next October. Price: USS 8,000,000.

SARPRI P.O.Box 450 CH-1215

# **Company Notices**

ENDELITY SPECIAL GROWTH FUND

iele d'investissement e Capital Variable

13, Boulevard de la Foire R.C. Luxembourg B 20005

Notice of Annual General Meeting

NOTICE is hereby given that the Aboust General Meeting of the shareholders of FIDELITY SPECIAL GROWTH FUND, a raciate d'inventionation on applied vertable organised under the laws of the Grand Ductry of Luceroboury (the "Fund"), will be held at the principal and registered diffice of the Fund. 13 Boulevard de la Foire, Lucamboury, at 11 a.m. on March 31, 1985, appellicably, but without fimilation, for the following purposes:

Presentation of the Report of the Sound of Circolors
 Presentation of the Report of the Statutory Auditor;
 Approval of the balance sheat and income statements.

30. 1987: A. Discharge of the Board of Directors and the Statutory Auditor;
 Rudigation of the co-option of Compagnie Fiducialre as a Director of the Fund I replacement of Figinitrust S.A.

6. Executes of elebt (it Directors, specifically the re-election of the following eight (it) prese Directors: Measts. Edward C. Johnson 3d, William L. Byrnes, Cherles A. Fesser, Heasts Kurckryss, John M. S. Pettos, Herry G. A. Seggensen, H. F. ven den Hoven and Compagnie

Authorisation of the Secret of Directors to declare dividends in respect of Sacal year 1987 if necessary to enable the Fund to qualify for "Distributor" states under United Kingdom tax

Proposel, recommended by the Board, to amend the provisions of Articles 8 and 9 of the Proposal, recommended by the social, to appear the provisions or Articles at any 1 of the Fund's Articles of social properties which presently provide that any owner of more than 5% of the matther of shares the Fund is authorised to issue may be required by the Fund to reduce that cures amount. The Soart recommends that the provisions be smended to permit the Fund to require any beneficial owner of more than 5% of the outstanding shares

to redeem the excess.

10. Consideration of such other business as may properly count before the met

affirmative vots of a majority of the shares present or represented at the Meeting with no minimum number of sharing present or represented in order for a Quorum to be present. Approved of bent 9 with require a quorum of at least a majority of the shares constanting on approves on term a war require a quartet of at least a majority of the shares constanting on the Masting date and the effirmative vote of two-filteds of the shares present or represented at the Masting. It a quarum is not present, item 9 may be voted on at an adjourned season of the Masting, at which no minimum number of shares will be required to be present or represented in order for a quarum to be present. Sobject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is solitied to one vote. A for may set at any mosting by prosty.

BY ORDER OF THE BOARD OF DIRECTORS

### SOCIETE GENERALE JPY 7,500,000.000 REVERSE FLOATING RATE NOTES **DUE 1991**

For the period March 8, 1988 to September 7, 1988, the notes will bear an interest rate factor at 4,03498 % P.A.

The interest due on September 8, 1988 against coupon nr 4 will be JPY 403.498 and has been computed on the actual number of days elapsed (184) divided by 360.

The Principal Paying Agent SOCIETE GENERALE ALSACIENNE DE BANQUE 15, Avenue Emile Reuter LUXEMBOURG

### This announcement appears at a matter of record only. Proper notice was given on 8th March 1988. LONDON AMERICAN ENERGY N.V.

Notice of Special Shareholders' Meeting Notice is hereby given that a Special Shareholders' Meeting of London American Energy N.V. will be held at Pierarmani 15, Willemstad, Curação on Tuesday, 29th

March 1988 at 10.00 a.m. Curação time for the purpose of considering and, if thought fit, passing the following Resolution:-

RESOLUTION That the sale of certain properties by LAE Energy, finc. and the subsequent sale of the share capital of LAE Energy, finc. (both as described in the Circular to shareholders deted 3rd March 1968) upon the terms of the contracts desplayed to the meeting be and are hereby approved and triat, subject to and on the date which falls one week after the distributions from additional paid-in capital as described in the Circular having been plad, the Corporation be dissolved pursuant to Article 22 of the Articles of Incorporation of the Corporation and Curab N.V., a finised fieldiny company established in Curaca. be appointed as fegulator and, in connection therewith, as custodian for the books and records of the Corporation.

By Order of the Board

Dated: 3rd March 1988

Information Meeting

Since many shareholders may not be able to attend the attenamentioned Special Shareholders' Maeting in Curação, an Information Meeting of London American Energy N.V. will be held of 120 Cheapade, London EC2V 6DS, England on Monday, 21 at March 1988 at 11.00 a.m. London troe in order to enable shareholders to meet Directors of the Corporation. While it will not be possible to pass any resolutions, it is expected that the information and explanations to be given at the Special Shareholders' Meeting will be given at the Information Meeting. Shareholders who wish to attend this Meeting will be given at the Information Meeting. Shareholders who wish to attend this Meeting are asked to complain the post card accompanying the Circular.

Copies of the Circular and the Form of Prory (including a deposit recent) to be used in connection with the Special Shareholders' Meeting are available in the U.K. at J. Henry Schroder Wagg & Co. Limited, 36 Old Jewy, London EC2R 885, in the U.S. at IBJ Schroder Bank & Trust Company, One Srate Street. New York, N.Y. 10004, and in Luxembourg at Banque Génézale de Luxembourg S.A., Service des Titres, 14 rue Aldringen, Luxembourg.

Bears shareholders wishing to exercise their rights at the Special Shareholders' Meeting should obtain a Form of Proxy containing a form of deposit receipt from the above-membraned offices. Duly completed Forms of Proxy and bears share certificates may then be sent (by post or by hand) in Banque Gehrerle to Lummbourg S.A. or (by hend only) to J. Henry Schroder Wagg & Co. Limited or IBJ Schroder Bank & Trust Company, in each class no later than 1.0.0 a m. London time on Tutaday, 29th March 1988, Further data/s may be obtained from the Circular. Note: Resolutions to dissolve the Corporation may only be adopted at a general meeting of shareholders at which a quotum of shareholders representing two-thirds of the gaused share capital shall be present or represented with an affermative vote of two-thirds of the votes cast at such a meeting.

> NOTICE TO HOLDERS OF WARRANTS DAIICHI SEIYAKU CO., LTD.

> > US\$150,000,000

4¼ per cent. Bonds Due 1993 with Warrants Pursuant to Clauses 3 and 4 of the Instrument dated 2nd March, 1988, the Parstant to Clauses 3 and 4 of the instrument based and March, 1988, the following notice shall be given.

At the meeting of the Board of Directors of Datichi Seiyaku Co., Ltd. (the "Company") held on 29th February, 1988, a resolution was adopted for the issue of new shares by way of free distribution, the particulars of which are given below. Consequently, the subscription price of the captioned Warrants (the "Warrants") shall be adjusted, as specifically provided in paragraph 3

1) The free distribution of new shares will be made to shareholders of record as of 31st March, 1988. Tokyo time, at a ratio of 0.05 shares for each one share held.

2) The free distribution shall be made on 16th May, 1988, but the dividends for these new shares will accrue as from 1st April, 1988, Tokyo time.

3) Pursuant to Condition 3(i) of the Instrument, the Subscription Price will be adjusted from Yen 3.352.00 to Yen 3.192.40 per share of the Common Stock of the Company effective as from 1st April, 1988, inclusive.

By: The Mitsubishi Bank, Limited

March 11, 1988

as Principal Paying Agent on behalf of Daiichi Seiyaku Co., Ltd.

### Music

**PARIS** 

Francisco Araiza recital, Irwin Gage piano (Mon), Theatre de l'Athenee (47 42 67 27)

I Solisti Venita conducted by Claudio Scimone: Vivaldi, Hummel, Mozart (Mon). TMP-Chatelet (42 33 44 44)

Ensemble Orchestral Conducted by Armin Jordan, vocal ensemble Piquemal, Ile de France Vittoria choir conducted by Michel Piquemal: Jean-Louis Florenz, Gabriel Faure (Tue). Salle Pievel (45 63 28 73)

Hayda's Requiem, Bach's Concerto for violin and oboe at Saint-Roch Church (42 61 93 26)

Church (42 61 93 25)
Pierre Reach, Piano: Bach (Tue,
Thur), Salie Gaveau (45 63 20 30)
Wanderer Trio: Schubert, Brahms
(Wed), Salie Gaveau (45 63 20 30)
Badio France Choir, brass ensemble
of the Nouvel Orchestre Philharmonique conducted by M. Tranchapt: Mendelssohn, Brahms. monique conducted by M. Han-chant: Mendelssohn, Brahms, Bruckner (Thur). Saint-Germain-des-Pres (42 20 15 16) Smetana Quariet, Besthoven, Jana-cek, Smetana (Thur). Paris Opera (47 42 53 71)

ITALY

Milan: Teatro alla Scala: Gidon Kremer and friends playing Lockenhaus: (80 91 25).(Mon).
Florence: Teatro Comunale: Colin Davis conducting the Orchester des Bayerischen Rundfunks, Tchalkovsky, Hindemith, Cleveland Quartet, Beethousen (Transchausen Constant)

Bosse: Anditorium in via della Concilizzione: Vladimir Spivakov conducting Haydn and Tchalkovsky (Mon and Tue). Orchester des Bay.

Glon and Tue). Orchester des Bay.

Schoenberg. Brahms (Tues). Merkin Hall (34 27 800)

Rome: Anditorio del Gonfalous (viz del Gonfalous (24): The Marco, Louis and Christophe Pantillon trio playing Haydn. Mozart and Mendelssohn. (Thur). (68 75 952).

ANTILLE DE ARIGO.

**NETHERLANDS** 

msterdam, Concertgebouw. The Notherlands Philharmonic con-ducted by Hartmut Haenchen, with queued by Hartunut Haenchez, with Sainte Meyer, clarinet: Bach, Moz-art, Ligeti, Shostakovich (Tue). Edo de Waart conducting the Convertge-bonw Orchestra, with Isabelle van Keulen: Ketting, Prokofiev, Strauss (Wed, Thur). Recttal Hall: Rachel Ann Morgan, mezzo, accompanied (Wed, Thur). Retrial hall: Anna Morgan, mezzo, accompanied by David Selig: Tchalkovsky, Schub-ert. Thomas Wolf, Mahler, Berlicz, Britten (Wed). The Tokyo Quartet: Beethoven, Yoshida, Schubert

(Thur). (71 83 45).
Utrecht: Vredenburg. Edo de Wasrt conducting the Radio Philharmonic and vocalists in a conductive performance of Wasney and Phalmacol. and vocalists in a concert performance of Wagner's Rheingold (Mon). Recital Hall: Gisela May sings Brecht (Mon). Electronic con-Pardo guitar (Thur). (31 45 44). The Hague: Philipszaai. The Hague Philharmonic under Hans Vonk. with Elisabeth Leonskaia, piano:

with Elisabeth Leonarda, plants. Strauss, Weber, Brahms (Tue, Thur). (60 98 10). Indhoven: Globe Theatre. The Radio Wind Ensemble: Mozart, Mussong-sky, Stravinsky, Scarlatti (Tue). (11 roningen: Oosterpoort. Homero Francesch, piano: Ravel (Thur). (13

10 44). Utrocht: Geertekerk. The Netherlands Chember Choir conducted by Jan Boeke, with Bernard Winsemius, organ: Sweelinck, Scheidt, Siebart, Scheidemann (Wed). (030 340 921). **NEW YORK** 

New York Philomusica. Robert Johnson director, Mendelssohn, Loeffler, Mozart, Brahms (Mon). Merkin Hall (36 28 719).

Saigner cumulatur, violin, Riomdahi, Nielsen, Sibelina (Wed), Carnegie Hall (24 77 800) Philharmonia Orchestra, Giuseppe Sinopoli conductor, All-Bruckner programme (Thur), Carnegie Hall

Hung-Kuan Chen piano recital. Bar-tok, Beethoven, Scriabin, Chopin (Tue). Kaufmann Hall (99 61 100) Leonard Raver organ recital. Mar-chand, Bach, Gardner Read, Liszt, Ives, Persichetti, David Diamond (Toe), Alice Tully Hall (36 21 911). New York Philharmonic, Klaus Ten-

New York Philharmonic. Klaus Tennstedt conducting, Radu Lupu piano. Ali- Beethoven programme (Thur). Avery Fisher Hall (87 42 424)
James Tase violin and piano recital. Bach. Brahms, Ravel, Samuel Gardner (Wed), 12.30, Free) Juilliand Concerts at the IBM Garden Piaza. 58th & Madison.
Philharmonia Virtuosi. Richard Rapp conducting, Michala Petri recorder, Paul Peabody violin. Bach, Zelenka, Heberle, Telemann, Fasch (Tue). Town Hall (84 21 818).

TOKYO

ceniuri Nippon Symphony Orches-tra, conductor Heinz Rogner, Mozart (Mon); Beethoven (Thur), Suntory

Hall (270 čist)
hang-Kook Kim (flute), Kelko Urushihara (violin), Yuki Hyakutake
(viola), Nobuko Yamazaki (cello).
Tokyo Bunka Kaikan recital hall (Mon) (837 8837)
lerhart Hetzel (violin) with the
Tokyo Metropolitan Symphony
Orchestra, conducted by Akeo
Watanahe, Mozart, Brahma, Stravinsky, Tokyo Bunka Kaikan. (Wed). 1822 0727)
Music for shakubachi, koto and shamisen. Tokyo Bunka Kalkan recital hall (Wed). (828 2111)
Mischa Maisky (cello) with NHK Sym-

phony Orchestra. Programme includes Dvorak Cello Concerto. (Wed, Thur). NHK Hall, Shibuya (465 1781)

**WEST GERMANY** 

Merce Commingham Dance Company (Joyce). Two major premieres are included in the four programmes during the month-long schedule of twelve works. Ends March 27. (242

Opera and Ballet

detropolitism Opera (Lincoln Center Opera House). James Levine cun-ducts Cosl Pan Tutte with Kiri Te Kanawa, Susan Qulitmeyer, Hei-Kyung Hong and David Rendall in Graziella Sciutti's staging. James Conlon conducts August Everd conton contoners August Everung's production of Khovanschchina with Elizabeth Knighton, Stefania Toczyska and Timothy Noble. James Levine conducts Otto Schenk's new production of Slegfr-led with Hildegard Behrens Gwen-dolyn Bradley, Peter Hofmann and Donald McIntyre. (362 6000).

WASHINGTON

ance Theatre of Harlem: Programme includes Serenade, Footprints Dressed in Red and Othello, Ends March 20. Kennedy Center Opera. House (254 3770).

TOKYO

The Manhatian Ballet in works cho-rengraphed by Carla Gleam and Rob-ert North to the music of George Gershwin: Rhapody in Blue, An American in Parls etc. Tokyo Bunka

Der Freischütz: Carl Marie von Weber's romantic opens played by Nouvel Orchestre Philharmonique. It is conducted by Marek Janowaki at the TMP-Chatalet (42 33 44 44) Janacek's Z Mrtwaho Dount, depicting Dostoyevsky's obsessive memories from the prisoners' pathetic universe in Siberia. It is conducted by Sir Charles Mackerras/John Burdekim in production by the filmmaker Volker Schloendorff at the Salle Favart - Opera Comique (47 42 53 712)

53 712)
Boris Godunov is conducted by
Lother Zegrosek in Petrika lones-

co's production, with Pasta Burchuladze in the title rule and Marie-Christine Portz as Xenia at the Palais Garnier-Paris Opina (47 & 53

WEST GERMANY

Barlin, Deutsche Oper: Tosca has fine interpretations by Pflar Lorengar, Cornellu Murgu and William Dooley. Der Troubadon in Heatert von Karajan's production features sharon Sweet, Glosgio Lamberti and Harald Stamm. Zer und Zimmermann will be conducted by Hanshildsoff with Barbara Vogel, Barbara Scherter and Berry McDaniel. Hamburg, Staatsoper; Tristan und Isoide, produced by Ruth Berghaus, will have its premiere this week. The cast is led by William Johns, Gabriele Schnaut and Harald Stamm. Don Panquale brings Hellen

Stamm. Don Pasquale brings Hellen Kwon, Giorgio Tadeo and Urban Malmberg together. Don Giovanni stars Samuel Ramey in the title role beside Linda Piech, Karita Mattila, Gilles Cachemaille and Kurt Moll.

Gilles Cachemaille and Kurt Moll.
Cologue, Opera: Bruna Baglioni
repeats her much praised performance in the title role in Aida. Wozzeck has a particularly strong cast
with Nadine Sécunde, Walter Raffelner and Walter Berry.
Frankfurt, Opera: Otello has George
Gray in the title role and Carry
Bartha as Desdemona. Cost fan
intite, conducted by Gary Bertini,
has Clarry Bartha, Marianne Rorholm, Milchal Shamir and Tom
Kranse.

Kranse. Stast-stheater: Fidelio, in Yuri Ljubimov's production was highly acclaimed when it opened. Jenufa convinces thanks to Michael Schönwandt as conductor. Another highlight this week will be Carmen, choreo-graphed by the late John Cranko.

ITALY

Rome: Testro dell'opera: Renato Bru-son's production of Simon Boccane-gra designed by Tita Tetamo and conducted by Gustav Kuhn with Heana Cotrubas, Nicola Ghiuselev, Nivola Martinucci and Gianni de Angelis, Renato Bruson sings the title role.(Tue). (46 IT 55).

Puritami in Pier Luigi Pizzi's production. Conducted by Piero Bellugi. The cast includes Kalia Ricciarelli (alternating with Maria Dragoni). Francesca Franci, Mario Luperi, Ambrogio Riva and Rockwell Slake. (41 744).

Genoa: Teatro Margherita: Don Pasquale conducted by Romano Gendoli with Simone Alaimo in the title roke, Alberto Rimaldi as Doctor Malatesta, Pietro Ball (Braesto), and Adriana Anelli (Norina) in Beype Menegatit's production designed by Luis Spinatelli (58 83 28).

Trieste: Teatro Comunale: Il Ritorno di Casanova, a new work by Girolamo Arrigo, based on a novel by Schnitzler (first performed in Geneva in 1987), conducted by Reynald Giovaninetti. The cast includes Fiorella Pediconi and Max Rene Cosotti (68 19 48).

Palazone: Politeama Garibaldi: New Sheet: of Spinate of Spinate Collin drama by for a Live Spinate of Spinate Collin drama by Spinat

Florella Pediconi and max stene Cosotti. (83 19 48). Palermo: Politeama Garibaldi: New production by Filippo Crivelli of Idebrando Pizzetti's Fedra with a textby Gabriele d'Annunzio conducted by Maurizio Arena. The opera was first performed in 1915. Sofia Larson leads a cast which includes Carmen Gonzales, Piero Visconti and Gerbis Boyagian. (58 15 12).

122.
Parma: Testro Regio: L'Elisir d'Amore
conducted by Hubert Sondant with
Adelina Scarabellin, Chris Merrit,
Angelo Romero and Barbara Briscic (79 56 78).

**NETHERLANDS** Amsterdam: Muziektheater. Pren

Amsterdam: Muziektheater. Premiere of the Nethertands Opera production of Estya Esbanova by Jamacek directed by Phillippe Streuil and designed by Jean-Camed de Bemeis. Kenneth Montgomery conducting the Netherlands Philharmonic, with Ellen Shade in the title role, Felicity Palmar, Jerome Pruett and Stalan Dahlberg (Thur). (25 54 55). Amsterdam: Schouwburg. The Nederlands Dans Theater with the premiere of Pebbled Path, and Light, part 23, Pilgrimage, Dark Side of the Light (Mon). (24 23 11). Grosingen: Oosterpoort. The Ensemble dance company with Notus Calor, Load Another Round, Four Fine Creatures, and Neurotic Wood (Wed) (13 10 44).

LONDON

The Best of Friends (Apollo). John Glelgud makes probably his last appearance on the Lundon stage 28 Sir Sydney Cockerell, a museum curator and friend of Shaw (Ray McAnally) and a remarkable abbess(Rosemary Harris). (437 2883, CC 424 2898)

CC 43 3598)
South Pacific (Prince of Wales). Average, traditional revival of the great.
Rodgers and Hammerstein musical,
Genma Craven failing to wash the
baritmal Emile Belcourt out of her hair. Shirley Valentine (Vaudeville). Pau-

line Collins in fine and funny mono-drams by Willy Russell of liberation for a Liverpool housewife on Corfu. Shades of Ibsen's Nora and Beck-ett's Winnie, with jokes. (836 9987. CC 379 4444) The Phanton of CC 379 4444)

The Phantom of the Opera (Her Majesty's). Spectacular emotionally nourishing new musical by Andrew Lloyd Webber. (839 2244, CC379 5131)

240 7200):
Follies (Shaftesbury). Stunning revival, directed by Mika Ockrent and designed by Maria Bjornson, of Sondheim's 1971 musical in which poisoned marriages nearly undermine an old burlesque reunion in a doomed theatre. (379 5399).

Serious Money (Wyndham's). Transfer from Royal Court of Caryl Churchill's slick City comedy for champagne-swilling yuppies: how the Big Bang led to class tunnit and barrow-hoy dealings on the Stock Exchange. (536 3028, CC 378 6585).

NEW YORK

Fences (46th Street). August Wilson hit a home-run, this year's Pulitzer Prize, with James Earle Jones taking the powerful lead role of an old baseball player raising a family in an industrial city in the 1950s, trying to improve their lot but dogged by his own fallings. (221 1211). [Cats (Winter Garden). Still a sellout, Trevor Num's production of T.S. Eliot's children's poetry set to trendy music is visually starting and choreographically feline. (239 6552).

and chocytaphrenty tentanger (252).

42nd Street (Majestic). An immodest celebration of the heyday of Broadway in the 1930s incorporates gents from the original film, like Stouffle Off To Buffalo, with the appropriately brash and leggy hoofing by a large chorus line (577 9020).

A Chorus Line (Short). The longest-rouning musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as anditions rather than emotions. (239 8300).

6300).
Phanton of the Opera. The Majestic
Theatre, stuffed with the Maris
Bjornson gilded sets, rocks with
Andrew Lloyd Webber's haunting
melodies in this mega-transfer from

melodies in this mega-transfer from London. (229 5200). Les Miserables (Broadway). Led by Colm Wilkinson repeating his West End role as Jean Vallean, the magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pagemiry and drama, if not strict adherence to its original source. (239 800).

bright Express (Gershwin). Those who saw the original at the Victoria in London will barely recognise its American incarnation: the skaters do not have to go round the whole theatre but do get good exercise in the spruced-up stage with new bridges and American scenary to

distract from the hackneyed pop-music and trumped-up stily plot.

(586 5510).

Me and My Girl (Marquis). Even if the plot turns on ironic minkery of Pygmallon, this is no classic, with forgettable songs and dated leadenness in a stage full of characters. But it has a moral to be a durable Bread. in a stage toll of characters. But it has proved to be a durable Breadway hit with its marvellous lead role for an agile, engaging and deft actor preferably British. (347 0033).

Mail (Eisenhower). A Broadway-bound musical delivers the post that accumulates and comes to life for a New York teacher after his escape to the mountains of Vermont Ends March 30. (254 3670).

**CHICAGO** 

Landscape of the Body (Goodman).
John Guare's 1977 surrealistic view
of an American family, combining
mystery, murder and lyrical passages features Amy Elizabeth Geis,
Ray Bradford and Gary Cole in Robert Falls, production, Ends April 2,

Streetcar named Desire (Imperial Theatre). This could prove to be the theatre event of the year. Japan's most distinguished director, Yukto most distinguished director. Yukio Ninggawa (whose Macbeth and Medea have triumphed in Edinburgh and London) has transposed Temessee Williams' play from New Orleans to Tokyo in the aftermath of the Great Earthquake of 1923. One of Japan's finest actresses, Ruriko Asaoka plays Blanche Duboks (201 777). Me and My Gal (Takarazuka Theatre). Thirties musical, recently revived

Thirties musical, recently revived successfully in London and New York and performed here in Japanese by an all-girl cast. Takarazuka therefore represents the other side of the coin to all-male Kabuki. (20)

(Shinbashi Enbujo). Yamato Takeru (Shinbashi Enbujo). This staggeringly successful super-kabuki production by kabuki's greatest showman, Ichikawa Ennosuke, has already broken all the records that a new show can possibly break in Japan. The story is based on one of Japan's oldest legends but it is less important than the extrovert and highly theatrical bag of tricks that Ennosuke has concocted to make kabuki more appealing to a generation reared on rock music and action movies. (541 2211).

Kabuki (Kabuki-za). For kabuki of a Rabuki (Kabuki-za). For kabuki of a more traditional kind Kabuki-za is the place to go. it celebrates its 100th anniversary this year and this

100th anniversary this year and this month features Kana Dehon Chushingura. In two parts, at 11am and 4pm. (541 3131). Big River. Aoyama Theatre (787 5678) Musical version of Huckleberry Finn. Jim is played by Ron Richardson, from the Broadway production, who has learnt Japanese for his role.

NETHERLANDS

msterdam, Bellevue Theatre. The English-Speaking Theatre Company in Emerald City by David William son, a fast-moving commentary on life in Sydney's media jungle to cele-brate the Australian bicentenary.

loscow Art Theatre in Chekhov's Uncle Vanya (in Russiau) Nissei Theatre (591 1906). After a period of

For pain relief



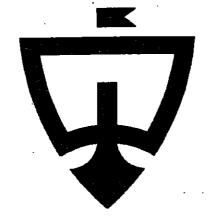
the proven formula

Surprise, surprise.

As Britain's biggest passenger vehicle manufacturer,\* our total sales topped £3 billion last year.

Our profits from trading and associated companies are the best for nine years, £27.9 m.

Our Exports rose 69% in value terms to a record total of £1043m.



THE LAND ROVER AND AUSTIN ROVER HOLDING COMPANY

b guid

asacial

amary

leats at

### Cinema/Nigel Andrews

# Manhattan ablaze with visual excitement

Someone To Watch Over Me (15) directed by Ridley Scott No End (18) directed by Orphans (15) directed by Alan J Pakula The Big Parade (15) directed by Chen Haige

There are two opposing attitudes to worldly wealth: the mat-ter-of-fact and the mystical. "Let me tell you about the very rich." wrote the mystically inclined F.
Scott Fitzgerald — "they are different from you and me." To
which Hemingway made the famously blunt rejoinder, "Yes, they have more money." Yes,

Watch Over Me undoubtedly sub-scribes to the Scott Fitzgerald School of Mysticism. The British director's previous movies - The scene, Duellists, Alien, Blade Runner, Eyes"?) Legend - have been adventure stories of the past or future souped up with a mind-hoggling Mediaeval exoticism. His stories of fated human combat unfurl amid images worthy of Burne Jones out of Caspar David Friedrich, with a touch of comic-strip Gothic thrown in.

His new film may seem his

least exotic in subject and set-ting, a contemporary New York crime thriller, but it blazes with visual invention. The damsel-in-distress is wealthy Manhattan socialite Mimi Rogers who lives in an apartment that makes Kane's Xanadu look like a Salvation Army hostel. The knight-inshining-raincoat is Detective Tom Berenger (late of Platoon), a cop from low-rent Queens assigned to protect her as a murder witness. And the villain-at-large is Joey Venza (Andreas Katsulas), a walking gargoyle who knifed a nightclub-owner to death before Miss G's eyes and now wants to

The twist in Howard Franklin's script is that the married cop from the wrong side of the tracks falls in love with the Upper East Side glamourpuss. And when she requites his ardour, passion es up police procedure and also starts to mess up our hero's marriage. The plucky wife back

performances from Berenger and Bracco who have both hired their working class accents from the Damon Runyon Dialect Factory, is least happy out in Queens. The film starts to fizz only when it moves uptown (starting with the subway journeys, where the coiled and gleaming passenger-straps look like something out of Alien). And it moves into Expressionist overdrive in Miss Rogers's

they have more money."

Ridley Scott's Someone To high-contrast lighting and sfur-watch Over Me undoubtedly sub-mato smoke effects. (It was surely a director's in-joke to have the herome's stereo croon, in one

> The miraculous-alchemical view of wealth enshrined or implied in these scenes - as if the very temperature of people's dreams and desires rises with each added thousand dollars spent on the carpeting — is close to idiocy. What redeems it is its closeness also to Scott's beloved Mediaevalism. In his hands the millionairess in the Manhattan eyrie becomes the Princess imprisoned in her tower. And even the adultery motif sounds a sonorous echo with the courtly love rites of the Middle Ages.

> The script and dialogue never live up to the film's intoxicating visuals or the thematic rhymes they suggest. But that has been the story of Scott's career to date. There is much crassness in Some-one To Watch Over Me, as there was in Alien and Blade Runner.
> (How does any actor keep a straight face while uttering the line, "He's a psychopath, and he's well connected"?) But weaving away amid the inanities is a director with an amazing eye, determined to turn another place of hokum-on-paper into another dazzling tapestry-on-celluloid.

The Polish film No End, directed by Kryzstof Kleslowski (of Cam-era Buff), is about the dead who in Queens (Loraine Bracco, winner of this year's Debra Winger
stay on lovingly to haunt us.

In Stands and, if what of earth made director in string sequences to standing
necessary, hunger strikes. (There
Alan J. Pakula, of Klutz and All
inages: a gruelling stand-to-atner of this year's Debra Winger
stay on lovingly to haunt us.

Anyone who has ever made two
soon hawling her spouse's head
off and moving over to Mum's
one person in the house (as the
wind demands in a stands and, if
necessary, hunger strikes. (There
Alan J. Pakula, of Klutz and All
inages: a gruelling stand-to-attention vigil shot through a hallucinatory heat haze, a dialogue
off doubt between two soldiers set
off and moving over to Mum's
one person in the house (as the
cally through its country's politimisplaced faith in the plece (he
against the eerie, disorienting
ripple of an indoor pool.



stage play, but if the film is any-thing to go by I-give thanks for small mercies. Albert Finney.

Matthew Modine and Kevin

recent memory.
Orphan and petty thief Modine keeps his retarded brother Ander-

son immured in the crumbling-

clapboard family mansion by a motorway in Newark. Into New

Jersey rolls Albert Finney,

their dead Dad.

watch Over Me"

Watch Over Me"

Watch Over Me"

The classic Beresvement Synamd contemplative, the moving out of the play merely emphasises its Never-never-land quality. Has this weird household, dwelling in this vast, weird man stransports of absent-mindedness. new life after the sudden end of transports of absent-mindedness. The heroine of No End is a young the old.

Whose dead lawyer husband keeps popping back, it seems, for unfinished business. He leaves agains and clues to help out his latest client, an arrested at the stage plan back is tage plan back. And Pakula's token "opening out" of the play merely emphasises its Never-never-land quality. Has this weird household, dwelling in this vast, weird man it would be stray tax inspector or curious social worker?

Somewhere in all this there is doubtless a cracker-barrel message to the effect that "Wo And I have a stray tax inspector or curious social worker?

Somewhere in all this there is a stray tax inspector or curious social worker?

Somewhere in all this there is a stage to the effect that "Wo And I have a stray tax inspector or curious social worker?

Somewhere in all this there is a stage to the effect that "Wo And I have a stray tax inspector or curious social worker?

Somewhere in all this there is a stray tax inspector or curious social worker?

Somewhere in all this there is a stray tax inspector or curious social worker?

Somewhere in all this there is a stray tax inspector or curious social worker?

Somewhere in all this there is a stray tax inspector or curious social worker?

All Ornhame and the plan that the proving out of the play merely emphasises its Never-never-land quality. Has this weird household, dwelling in this vast, weird man in the plan that th igns and clues to belo out his tatest client, an arrested dissi-dent. And he sits in loving vigil - or seems to - by his wife's

But if No End is a ghost story, the chains it rattles are determinedly political. The film was banned for two years after its making in 1964, and the subplot about the dissident makes a number of loud rade rade rades about ber of loud, rude noises about martial law and loud, approving noises about Solidarity. It is Kieslowski's achievement

that the audience never feels assailed by agitprop. Human ambiguities thrive. The heroine, seeking justice for her husband's client, finds it hard to choose between the two defence lawyers between the two defence lawyers on offer. One is an old deal-maker bruised by Party politics who recommends the safety of compromise and plea-bargaining. The other is a brash young ideologue who demands firm stands and, if talent at work in it. Even so, our Albert is the only thing worth watching. His face resembles overripe potato with a pursed red gash for lips. His voice, by turns shurred, sing-song and stentorian is like a male-voice choir con ducted by an inventive drunkard And he dispenses the best Ameri can accent any British thespian in my memory has achieved.

Sadly, he is a lone galleon on a sea of drivel. Author Kessler. adapting his own play, seems to have enhanced its implausibility. The two orphan brothers come out of some Americanised Dick-ens-land, where lovable thievery à la Artful Dodger joins hands with strident pathos. (Look on Anderson's wild-child scurryings

about to be threaded.

Anderson wrap their combined talent around the largest piece of Better to see Chen Haige's The talent around the largest piece of Big Parade at the ICA. This tale sentimental tosh I have seen in of new recruits undergoing military training caused frantic tut-tutting from the Chinese army, who held it hostage until the director made the changes they wanted: chiefly, fewer dissident noises about army life and more climactic big parade footage in

sozzled crook en route to the Caribbean. Modine kidnaps him, brings him home and — Lo! before you can say, "Dead, dead, and never called me father" — Peking. Haige (whose last film was the acclaimed Yellow Earth) reluc-tantly obliged, and the film ends up a an oddly flavouriess mix-Mr F is turning from the duo's hostage into their surrogate Dad and then, after sundry Act 3 ture: part Chinese Full Metal Jacket, part Red Army recruiting ad. Best scenes are those where director and photographer (Zhang Yimou, whose own direct-ing debut Red Sorghum won Best Film-prize at Berlin last month) shootings and shenanigans, into It fair breaks your heart. It breaks your heart to wonder what on earth made director fit strong sequences to stunning

### "Still Life" at the Penguin Café/Covent Garden

### Clement Crisp

I report, with some concern, that quite the best thing in the evening was this last piece, and vexing things the Royal Balanced with a welcome unity of style and a fullness of dynamics that did honour to one of the Penguin Cafe Orchestra organiseminal works of the Balanchine repertory. It is a ballet very frank in its demands upon its cast:

Hays' handsome set.

David Bintley's new work is tunnes of no great interest, designed by Hayden Griffin, and an general air of jokiness as a mask for Deep Feelings About Life on Earth.

I thought the whole affair extinguishingly tiresome, not just because of the platitudinous in the problem about the piece; the in its demands upon its cast: problem about the piece: the there is no place to hide in it, no score is the dimmest minimalist there is no place to have in the series of clangour, with nugatory must be danced with the sort of tunes churning round and round.

Anchored to this must, Mr. Bindered to this must, Mr. Bindered to the piously ecophysical integrity which is not always seen at Covent Garden: on this occasion its cast — led by tley has sought to be piously eco-logical about endangered wildlife, on this occasion its cast — ieu uy two artists who respond grandly and has found inspiration ieu two artists who respond grandly and has found inspiration ieu two Balanchine's rigours. Fiona tered.

The ballet's action, if I may so describe a sequence of unconnected cabaret scenes, treats of the choreography in excellent are two sequences.

I have always felt, though, that the Royal Ballet has an ambiva-lent attitude towards Balanchine, mistrusting his classicism, finding it too uncompromising, and too taxing. Great works by him have been miserably served -remember the disgraceful revival of Ballet Imperial — or cursorily given, as was the sublime Liebes-tieder Waltzer.

The decision to acquire Bugoku as a new piece is curious. It is not by any means one of his masterworks. It was staged in 1963 as a result of a visit to New York by the Gagaku troupe of the Japanese Imperial Household and is in essence little more than a piece of *japonaiserie* conceived at a time when our view of things Japanese was rather more simplistic than it is today.

Its merits lay in the extraordinary gifts of its leading interpret-ers – Allegra Kent and Edward Villella. Both artists were among the glories of New York City Bal-let (and Miss Kent has helped mount this present staging), and both brought to the wedding rit-ual, in which lies all the interest of the piece, an extreme concen-tration and potency of manner. Miss Kent was the most supple

and the most mysterious of fig-ures in this duet, maintaining an emotional distance from its passions; Mr Villella proposed a Samurai virility and a physical weight that seemed as sprung from the earth as the movement of a Sumo wrestler.

The Royal Ballet cast is led by Bryony Brind and Wayne Eagling. Neither as yet conveys that intensity of body and psyche that is going to transform their ritual coupling into something that

The new programme at the Royal might be seen in a Japanese fatuity. The Great Auk, certain Opera House on Wednesday evotic print. Their dancing is species of ram, rat, flea, 2ebra, brought the premiere of David Bintley's "Still Life" at the Pangaran decent, decorative, and meaning monkey, and — mevitably — an aboriginal family, are put guin Café, the Royal Ballet's first graphic action is no more than through their meretricions paces. Payid Rintley's now consum.

The new programme at the Royal might be seen in a Japanese fatuity. The Great Auk, certain species of ram, rat, flea, 2ebra, monkey, and — mevitably — an aboriginal family, are put through their meretricions paces. The humour is thin, but no thin-ner than the choreography. There are a multitude of sets and costumer of the corner with some consum.

> extinguishingly tiresome, not just because of the platitudinous nature of the emotions displayed, but also because of the prodi-gious waste of abilities in seeking to turn a World Wildlife appea into a hallet.

The performers were largely invisible as artists. The final intellectual and theatrical trick finds the cast scampering through a rain-storm. How diffi-cult it was to guess that curtainanimals whose extinction has fall would see them all neatly been brought about by man's ensconced in a Noah's ark.



Cynthia Harvey, Jonathan Cope and Sonia Noy in "Still Life at the Penguin Café"

### Nite Club Confidential/Playhouse

### **Martin Hovie**

that is, rather than the group. Paradoxically, those who might regard the Eisenhower era with nostalgia, and at whom this new musical is aimed, are those who would be left most cold by new musical is aimed, are those plot being propelled by Buck's are superbly drilled both vocally who would be left most cold by story-telling direct to the audits negligible plot, thin jokes and ence. The action provides the directs both directs and choreo-

her come-backs, left the others the decade's scientific neolo-for her, split with Kay, moved in gisms, "Crazy New Words."

The charming Playhouse near with young singer Dorothy, and
As will be gathered, the musithe Embankment at Charing so on. The trouble is that the
cal side is excellently prepared.
Cross has struck a desultory whole show is couched in such As the group that dissolves and blow for the Fifties - the decade, terms of send-up and half-mock- reforms according to the exigentiche that **v** what, if anything, is to be taken eventual rock star), Philip Gould seriously.

erratic mish-mash of a score.

Americans Dennis Deal and Albert Evans have thought up the dramatic framework for a few classic numbers by the likes of Johnny Mercer, Arthur Schwarz, Harold Arlen, Sammy Fain, Prank Loesser and Jimmy Van House of the least Dixon. Goods Market Dixon. Good Harold Arlen, Sammy Fain, Music Supervisor Mr Evans or Frank Loesser and Jimmy Van MD Michael Dixon. Good to be Heusen – great names all – and reminded, too, of the lyrical Meradded some songs of their own. cer/Van Heusen "I Thought The story is narrated by an ini- About You;" and because the tially slumped figure in a darkshow spans the whole decade in
ened night club who, it transpires, has much in common with
of rock and some fascinating
the narrator of the film Sunsei
jazz-flavoured patter in Jon Hen-Boulevard (not to give too much dricks' "Ev'rybody's Boppin" and away). Buck started out with an "Cloudburst," show-stoppingly echt-Fifties close harmony group done as a quartet. The new num-(shades of our own Keynotes; bers include a novelty patter who remembers Take It From number well up to this standard Here?), caught the eye of faded put over by a short-order waitstar Kay Goodman during one of ress in a diner and a jazzy ode to

eriously. (the cool tongue-twister) and There is minimal dialogue, the Kathryn Evans, a former Evita

beat ending. Stuart Milligan, whose authentic American accent is gratefully received, is too amiable, too soft-grained. But then Ruth Madoc seems determined to deflate the tension whenever possible with good-natured self-parody as the boozy Kay. As we know from Bless the Bride, she has a real voice, powerful and dark in tim-bre. She can put over a torch song marvellously, and projects one of the new numbers, "The Long Goodbye," extremely well.

provides an unconvincing down-



**Ruth Madoc** 

man; but, like the show itself, between the sent-up clichés of sleekly designed (Lindsay W. melodrama, nostalgic parody and Davis), ingeniously lit (Mark sitcom cheeriness.

Towards the end she even bears a Henderson), seems to have no faint resemblance to Ethel Mer. sense of direction and veers

### Arvo Part/Brompton Oratory

### Richard Fairman

different ways of expressing a

The musical language of the Estonian composer Arvo Part is music and low voices, the simple music unexpectedly turns to a devotional, yet as simple as could beauty of his inspiration threat glorious final D major, which be in the past he has, more often ens to lose its effect and start rang out splendidly in the Orathan not, been grouped together sounding merely monotanous; tory's acoustics: what a marvel-with the minimalists (Glass, but as the Passion story nears its lous setting it was, after all. Reich etc.), but the classification now seems to do him less than justice. The musical ingerprints may look the same, but the instinct that lies behind them has a desire to be expressive that is not shared by any die-hard mini-

Christian belief.

The score of the St John Passion (1981) is typical in thisrespect. There is a great deal of repetition, even of the most don's Festival Hall complex tralian, for Voss.

It must have taken an inspired unambitious ideas; and for long conclusion, Part allows a greater leap of the imagination to come stretches the music, in true mini-up with Brompton Oratory as the malist fashion, makes no attempt malist fashion, makes no attempt the expression and there is a venue for this peformance of the to progress from one key (A St John Passion by Arvo Part: minor). What gives the style its the visual extravagance of the emotional content is the shaping place, with its resplendent sculp of the vocal phrases, and in par-tures and elaborately painted ticular the similarity to Grego-ceiling, are at the opposite pole rian chant (itself a most basic

not, perhaps, seem quite enough. With the preponderance of slow

cumulative sense of awe, beautifully realised by the Hilliard Ensemble under Paul Hillier. Michael George was the grave, eloquent Christ; David James an impressive leader of the Evangeceiling, are at the opposite pole rian chant (itself a most basic impressive leader of the Evange-from the music, where the style kind of expression) which Part is pared to the bone. Such are the discovered in the early 1970s. In the first half that alone does of the accompaniment falls to the organist (Christopher Bowers-Broadbent). After 70 minutes the

### "The Fatal Shore" wins W.H.Smith award

The £10,000 W.H.Smith Literary where the award was announced.

Award went yesterday to Austra-lian writer Robert Hughes for McLelland was there, the event The Fatal Shore, his widely linked with the bicentennial of acclaimed history of Australia's Australia and the 30th anniverfirst convict settlers. sary of the first Smith award to novelist Patrick White, an Australia day at Lon-

# Arts guide

Continued from Page 16 benke in 1898 is said to be undergoing something of an artistic renais-sance under glasnost. (ends March

Exhibitions PARIS
Grand Palais. Zurbaran. From New

**66** Extel's Weekly

**Financial News** 

Summary gives us the

week's UK corporate

events at a glance >>

All you ever need to know

London: 01-251 3333 Brussels: 01-219 1607 New York: 212-513 1570

JOHN BRUMWELL
PRUDENTIAL PORTFOLIO MANAGERS

York, an exhibition of 72 paintings retraces the artistic development of one of the great masters of the Spanish Golden Age. (42560924). Ends April 11.

Musee d'Orsay, Van Gogh in Paris. To mark the centenary of Van Gogh's two-year stay in Paris, a period which proved a turning point in his artistic development, the Musée

d'Orsay has assembled more than 50 of his paintings and a dozen of his drawings from national and private collections. (45 48 48 14). Closed Mon. Ends May 15.
Centre Georges Poussides. Le Dernier Picasso 1963-1973. By placing the last 20 years of Picasso's work in the context of contemporary art, the 95 paintings, 34 drawings and 70

NOTICE TO WARRANTHOLDERS OF MARUBENI CORPORATION (The "Company")

Bearer warrants (the "Warrants") to subscribe for shares of common stock of the Company issued in conjunction with an issue of U.S. \$75,000.000 7% per cent. Guaranteed Notes due 1982 and an issue of U.S. \$300,000,600 2 per cent. Guaranteed Notes due 1992

per cent. Guaranteed Notes due 1992.

Pursuant to Clauses 4(A) and (C) of the histrament deted 7th October. 1985 and 13th May, 1987 under which the Warrants were intued, notice is hereby given as follows:

1. On 24th February, 1985 the Roard of Directees of the Company recoved to make a free distribution of shares of its common stock to also whether of record as a 2500 p.m. on 2 ist. March, 1986 (Tokyo time), at the rate of 0.05 share for each share held.

2. Accordingly, the subscription price of the above mentioned Warrants will be adjusted effective as of 1st. April, 1988 (Tokyo time), from Yen 382 per share of common stock to Yen 384, 1995 per cent. Guaranteed Notes due 1992 and from Yen 514 per share of common stock to Yen 459 per cent. Grammen stock to Yen 495 per cent. Guaranteed Notes due 1992.

MARKET CORPORATION
BY THE BANK OF TORYO
TRUST COMPANY
OF LIGHT COMPANY
OF LIGHT COMPANY Dated: March 11, 1968

engravings exhibited permit a fresh approach to the controversy caused by contradictory judgements on the ageing pather's Everish creativity. (42 77 12 33), Closed Tue, Ends May

16.
Petit Palaia. Winterhalter and European Courts from 1830-1870. A retrospective of the painter of graceful feminine beauty around the thrones of France, England and Beighum. (42 65 12 73). Closed Mon, Ends May 7.
Grand Palais. Degas. An Important retrospective of 275 works covers 80 years of the artist's career from his student beginnings in Italy to the rich instunity of his last years. His favourite themes of ballet dancers there are the two versions of La Classe de Danse - and of jockeys and race courses, of washerwomen, milliners and bathers show the diversity of his inspiration echoed by the variety of his modes of expression. Grand Palais (42 56 09 20). Ends May 16, Closed Tue. 16. Closed Ton.

LONDON

LONDON

Tate Gallery. Douglas Cooper — The Masters of Cubism. A small but choice selection of 81 works on paper from Cooper's collection of cubist set of all kinds but principally of the work of the great quartet of Picasso, Braque, Gris and Leger. Ends April 4.

Tate Gallery. Young Turner: Early Work Until 1800. The latest in the continuing series of small temporary exhibitions in the Core Gallery devoted to the many aspects of the vast number of water-colours and drawings in the Turner beguest.

drawings in the Turner bequest. This display covers the crucial 12 years or so from the mid-1780s years or so from the min-176s; which saw Turner mature with astonishing rapidity from competent conventional topographist to a virtuoso of the medium of water colour of astonishing breadth, freedom and originality, Ends March 20. Tate Gallery. David Bomberg — A full retrospective of one of the most dis-tinguished British painters of the century, yet one whose secure criticatally, yet one whose secure criti-cal success came only after his death in 1957, at the age of 68. As a young man in London before the First World War, Bomberg was asso-ciated with the Vorticist movement, of the first importance and original-ity.

ITALY

Rome. Villa Medici (French Academy).

A Certain Robert Doisneau. Photographs spanning the 40-year career of Doisneau, from his touching and evocative Paris street-acams of the immediate post-war years to a series of portraits of well-known writers and artists. Tender but unsendimental in the images of children and lovers among the rubble of the bombed city. Doisnean is illuminating, humorous, and unmalicious in his portraits: Picasso in 1952, sitting with splayed hands on the lunch-table, but with head-rolls where the fingers should have been; Prevent posed carefully in front of the shop Merode, so that the O is covered. Ends April 3.

Ends April 3.

Torence, Palezzo Pitti. Floralia – 30
paintings of flowers and plants with
drawings, tapestries and illustrated botanical books, testifying to the Medici's precourse passion for this science, from Cosimo I onwards. Ends April 10.

Madrid: Circulo de Belles Artes. The Romantic Tradition in Contempo-rary British Painting proposes that a parallel development to Modern-ism has embraced most major Brit-ish artists since William Riske and that it are alive today as 150 years. that it is as alive today as 159 years ago. This is the first exhibition to undertake such a re-examination and the first group exhibition of

contemporary British painting to tour Spain. It features 10 artists and 35 works from private and public collections, some being shown for the first time. Ends April 17.

March 11-17

SWITZERLAND Geneva. Alberto Giacometti drawings and rare prints. Galérie Jacques Benador, 7 Rue de l'Hotel-de-Ville. (21 61 35). Ends March 26.

NEW YORK

fetropolitan Moseum of Art. Every phase of Fragunard's art is included in this, the first comprehensive exhibition of his works that capture France in the last decades of the ancien regime, Ends May 8.

WASHINGTON

National Gallary. The human figure in early Greek art is the subject of 67 sculptures and painted pottery starting in the 9th and 6th centuries BC with silhouetted stick figures and ending with the naturalism perfected in the 5th century BC. Ends June 12.

CHICAGO Art Institute: A centenary retrosp

tive of the work of Georgia O'Keele evokes the world of flowers and skulls in the luminous light of New Mexico. Ends June 28. TOKYO

National Museum, Ueno. Preliminary Paintings for Edo Castle. Recently discovered watercolours and working drawings by artists of the Kano School for a remodelling in the 1830s or 1840s of the shogun's castle, where beautiful paintings decorated the sliding paper doors and ceilings. Ends March 21.

### Saleroom/Antony Thorncroft Dredged from the deep

while most of the objects recov- £7,150. ered have gone to museums some

two sand glasses, one measuring 28 seconds and the other 14 sec-onds. A square wooden sailors' dinner plate (it was plates of this shape which gave rise to the uppers, went for £605, and two grenades, which would be thrown from the masts on to the decks of art market seemed to be conenemy ships, sold for £290. Bring- firmed by a fairly routine contiing home forcefully just how nental furniture sale at Christie's hard life was on board ship in the which produced an impressive mid 18th century was a Boat- £557,089, with only 9 per cent

The most interesting sale in Lon- our of Conway Castle sold to an don yesterday was tucked away American collector for £46,200 at Christie's South Kensington. It while a portrait of a lady by Sir consisted of almost three hun- Thomas Lawrence trebled its estidred lots dredged up from the mate at £44,000. "Hasbro' Sands," sea, from the invincible, a sev-in Norfolk, by Turner was at its enty four gun warship which top forecast, making £28,600. Leg-went down in the Solent in 1758, gatt, bidding on behalf of the as it prepared to sail to wrest National Army Museum, secured Canada from the French. The a sketch by Rowlandson entitled wreck was discovered in 1979 and "Entertaining the troops" for

Sotheby's was also disposing of are being sold to finance the continuation of the search.

Sotheby's was also disposing of Japanese works of art. Two deal-Just over 260,000 was raised, ers were very keen to acquire a netsuke of an ivory study of a with a Swiss collector paying the neistike of an ivory study of a top prices of £3,850 and £3,080 for cow and calf made in the 18th century by Masanao of Kyoto. In the end Davies of London was successful with a bid of £35,200 as against the top estimate of £7,000. An unusual netsuke was bought shape which gave rise to the by Eskenazi for 25,060. It is less phrase "three square meals a than two inches high, in a day") sold for £1,045 while an almost how! made £1,045 A rounded form, but is inscribed day") sold for £1,045 while an than two inches high, in a elmwood bowl made £1,045. A with three odes on an autumn evening

swain's Daughter, or cane to keep unsold. London dealers were the crew in order. It sold for £110. active buyers, paying £23,100 Meanwhile Sotheby's was (over twice the estimate) for a establishing an auction record for pair of South Italian walnut and a watercolour by Bonnington, the marquetry commodes and £22,000 early 19th century artist who for a pair of ormolu and bronze died at the age of 26. Agness three light candelabra by Henry paid 294,600 for a view of the Dasson and the same sum for a Pont des Arts and the Ile de la 17th century Florentine tapestry Cite in Paris. A Girtin watercolof a betrothal scene.

### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday March 11 1988

# Austria's new challenge

FIFTY YEARS ago Hitler swal-lowed Austria. On March 11 he The world has taken most interbrowbeat the Austrian Chancelest in that surrounding the per-lor. Kurt Schuschnigg, into son of President Kurt Waldheim resigning; on March 12 the Wehr who, at the very least, has been macht invaded, on March 13 a decree proclaimed the Anschluss. The allies of the First World War, who as recently as 1931 had vetoed a mere customs union between Austria and a still demo-cratic Germany, looked the other way. They did not realise what kind of a monster had arisen in Berlin; nor did a majority in the Hitler a triumphant reception. The Second World War allies implicitly recognised as much in the Moscow Declaration of 1943 stating that Austria had been the first of Hitler's many victims. Austrian crowds which gave

burg possessions in south-eastern and eastern Europe. An authori-tarian regime had dismissed parliament and there was no established democratic tradition. Few Austrians believed that this truncated state could survive.

Compare that with the post-1945 republic. Prosperity is almost palpable. The unemploy-ment ratio is low by the standards of today's Europe. Private armies and their battles are unknown. A democratic constitution is in force. The pursuit of consensus in politics and indus-try, born of the fear of returning to the 1930s, has been widely though not unanimously admired in other countries. Above all, Austrians have come to believe in their state. A vocal minority insists on the Germanness of Austria, but not even that minority calls for a renewed Anschluss.

### Rash of scandals

Hitler's invasion - always pro-vided that the political leadership and responsible opinion in Vienna place the preservation and enhancement of what has been achieved above immediate political advantage – these mat-ters ought to weigh more beavily than the rash of scandals that

time record. It is clear that he ought not to be President. Some Austrian conservatives.

whose People's Party backed Dr Waldheim in the presidential election of 1986, have rallied to his defence with coded or open anti-semitism. Intentionally, or not, they have been playing upon an historic anti-semitic tradition. nality and frenzied partisanship of the past. The past needs to be faced realistically, not by supstating that Austria have victims.

first of Hitler's many victims.

What sort of a country had the pression, but neither by once more fighting over old battle more fighting over old battle. dictator seized? The Austria of the 1930s was racked by civil strife and hyper-unemployment. It was barely industrialised and had been shorn of the vast Habs-

### Increased tensions

The Waldheim affair has unnecessarily increased tensions within a Government struggling to master the future, for instance tax reform - now settled - and Austria's relationship with the European Community. It is not an ideal coalition, but all con-cerned should ask themselves whether there is a viable and acceptable alternative to the alli-ance of the People's Party and the Socialists who, at least at present, are led from the centre. Austrians feel that the outside world has often been unduly cen-sorious. Their faked wine caused an international outcry in 1965 though nobody is known to have been taken ill; when faked Italian wine caused several deaths last year, the world took little notice. The point is small, but does rankle. Scandals and latent anti-sem-At the 50th anniversary of itism are not unknown else-litler's invasion — always pro- where, nor are people who played a less than heroic role during the war. The outside world has the right to criticise soberly, stridency and smugness are usually self-defeating. Today's Austrians, unlike those of 1938, have the opportunity to put their own house in order. They must use it.

# The EC's role in merger control

THE EUROPEAN Commission more than Ecu lbn. They would has struck a laudable blow for do nothing to help small firms, freer competition in air transport which are much less wellfreer competition in air transport by forcing British Airways to equipped to overcome hurdles to make concessions on its merger with British Caledonian. Brusness with which the UK Monopo-lies and Mergers Commission acquiesced in a compromise on terms which were heavily information.

The episode underscores the inadequacies of national competition authorities when confronted with cases which have important economic implications for the rest of the European Community. There is clearly a need for rigor-ously impartial anti-trust enforcement, which puts the interests of the whole EC above the narrow concerns of its indi-vidual members. This will be even greater in the single Euro-pean market planned for 1992.

However, it does not follow automatically that the commis-sion's recently revised demands for additional, specific authority to control mergers and takeovers should be wholeheartedly endorsed. Though there may be much to be said for some of the principles underlying the propos-als, there are serious questions about how they would be imple-mented in practice.

ger deals with a "Community offending member governments dimension" before they are con-or have felt obliged to stand up

In trying to sell its proposals, Brussels has suggested they likely to increase if, after 1992, could be used not just to prevent governments seek to promote unhealthy concentration of eco-nomic and industrial power, but ance of EC law and put pressure also to override nationalistic on their appointees in Brussels to obstructionism of the kind which tow the national line. The com-

This contention looks, at best, political influences. like wishful thinking. The EC Simply to impose proposals would bite only when national competition policies were the main obstacle, not when countries resorted to the subtergrees usually employed to derail unwelcome foreign bids. Moreover, the commission's proposals would apply only to large companies with worldwide turnover of an abotch-potch of differing national systems would in foreign economic policy, knowing that Britain would never get in the Group of Seven without at least one ally. The allignment of the worst of all worlds. Any new powers for the commission, need to be tightly drawn and clearly aimed at those threats to ower, the commission's proposals would apply only to large companies with worldwide turnover of are unable or unwilling to tackle.

trans-European expansion.

More fundamentally, however lies and Mergers Commission restructuring are misplaced. An acquiesced in a compromise on terms which were heavily influenced by BA. national obstacles to cross-border deals. The Rome Treaty provides many other, more appropriate weapons, which will be further expanded by the mass of EC leg-islation provided for in the single market plan. If these weapons have been ineffective, it is

because the commission has been too lax or too timid in wielding

### Overriding priority

Still less should the aim be to decide which acquisitions and tionally competitive supplier industries. That judgment should be left to the markets. The overriding priority for merger policy should be to ensure that such deals do not reduce competition, restrict market entry or damage the interests of consumers. To be effective, implementation of such a policy calls for clarity of objectives, integrity of judgment and scrupulous casework.

Nationalist obstruction

At present, the commission has the right to intervene in mergers only after they have happened, as was the case with BA/BCal. It is now seeking from EC governments powers to investigate—and, if it chooses, to block—bigger deals with a "Community offending member governments" for their own countries' interests. Such internal conflicts are Mr Carlo De Benedetti's bid for mission needs stronger institu-Société Générale has encountered tional safeguards to insulate com-petition decisions from damaging

Simply to impose a flawed EC

Archie Brown examines Mikhail Gorbachev's record and prospects after three years in power

WHEN Mikhail Gorbachev became General Secretary of the Soviet Communist Party three years ago today, many Soviet citizens breathed a sigh of relief and some of the more talented people on the fringes of the policy-making establishment could hardly contain their excitement.

After three aged and infirm leaders.

After three aged and infirm leaders, Brezhnev, Andropov and Chemenko, it was something simply to have a General Secretary who could make his own way to the tribune, a point captured by the first Soviet Gorbachev loke: "How much support does Gorbachev have?" Answer: "None. He can walk entirely

But there was a lot more to it than that. After the political, economic and cultural stagnation of the 1970s - and the cynicism and corruption characteristic of the Brezhnev years - hopes of better alternatives had been briefly aroused by Andropov, only to be dashed during the do-nothing Cher-

Amongst the leadership, however, there was apprehension as well as hope
- indicated by the choice of the physically feeble and politically far-from-inspiring Chernenko rather than Gorbachev to succeed Andropov in 1984, and by the attempt to promote the candi-dacy of another septuagenarian, Viktor Grishin, as successor to Chemenko just over a year later.

Many of Gorbachev's colleagues in the Polithuro and Secretariat had cause the Politburo and Secretariat had cause to be apprehensive. Thirteen months earlier, they had rellied to Chernenko for fear that in younger and more vigorous hands, the new broom which Andropov had begun to wield would sweep them into political oblivion. In that belief, happily, they were correct, though their resistance to Gorbachev may have helped to turn it into may have helped to turn it into a

self-fulfilling prophecy.

The extent of the personnel change in the party leadership under Gorbachev has been dramatic. Of the 13 voting members of the Polithuro at the present time, only five were already there under Chernenko. Of the seven candidate – or non-voting – members, only two are hold-overs from pre-Gorba-chev days. Within the 13-person Secre-teriat of the Central Committee (which now contains the first woman in the Soviet leadership for 25 years) the scale of the change is even more impressive. Historically, General Secretaries have found it easier, in their first years, to effect changes in the Secretariat than the Politburo. But no one has moved as fast as Gorbachev. Apart from Gorbachev himself, Vladimir Dol-gikh is the only survivor from Cher-nenko's Secretariat. Eleven out of the 13 have come in during the past three

Polithuro and the Secretariat has been made easier by the fact that Brezhnev had allowed them to attain a record high average age. But the changes are none the less remarkable — all the more so because the General Secretary does not have the institutionalised right of appointment to sentor political posts which accrues to the office of US president or British prime minister. Instead, he has to rely on influence and authority and an ability to bargain and

The bargaining process means that not all the new people (especially in the Politburo) should be regarded as Gorbaremotively should be regarded as contactionary in particular, he does appear already to have a majority of people committed to him and to the innovative course he is pursuing in both domestic and foreign

policy.
This commitment to a shift of policy is the crucial achievement. It is Gorbechev's view of personnel change as, radical rethinking of long-established policy, which marks him off from Brezhnev or Chernenko, Indeed, in terms of its greater comprehensiveness and coherence, it sets Gorbachev apart even from Khrushchev. Devising new policy is one thing;



# Seeking to shape a new Soviet era

implementing it is another. Gorbachev has found implementing new policies much easier in some areas than others. He has been able to make fastest prog

He has been able to make fastest prog-ress in changing foreign policy: its con-tent as well as its personnel and style. There are, of course, many continu-ities in foreign policy. But amongst Gorbachev's many changes, some are quite remarkable. They include the admission that the Soviet Union has a lot to learn from other Communist countries (and even from capitalist onest and the pursuit of much more ones); and the pursuit of much more circumspect policies in the Third World, such as the dramatic decision to get out of Afghanistan. There is also the new approach to national security, involving the concepts of "mutual secu-rity", a "reasonable sufficiency" in defence and a willingness to embrace hitherto unacceptable levels of verification and on-site inspection as an essen tial ingredient of arms control.

The benefits which have accrued to the Soviet Union in this area are, it might be argued, more intangible than concrete. But the fact that the Kremlin is now more trusted and less feared in the West must be seen as a triumph for the new approach and for Gorbachev's personal diplomacy. An even more sig-nificant achievement is the extent to which the Soviet Union has been setting the new international agenda. The rest of the world must now respond to more reasonable and more imaginative Soviet diplomatic initiatives than those to which it had become accustomed.

The extent to which all this has

haps for him - and even for the fate of Soviet reform - its most important Soviet reform — its most important domestic political consequence. Summit meetings widen the gap in authority between a Soviet leader and his Politiburo colleagues. In general, Gorbachev is much more popular at home when he is defending Soviet national interests than when he is trying to restructure the economy, an activity liable to bring more short-run pain than pleasure to millions of Soviet citizers

For the early euphoria has worn off.
Until Gorbachev's policy choices
became clearer, almost everyone
(everyone, that is, except several hundred thousand bureaucrats who had an mking of what was in store), could welcome the arrival at the top of a younger and obviously highly capable leader. Once the hard choices had been made, it was clear that new battle lines would be drawn. Any serious economicwould be drawn. Any serious economic and, indeed, political reform cannot but be a threat to a great many vested

in each successive year of his General Secretaryship Gorbachev has become bolder in his rhetoric on economic and political change. Whereas even the term reform was taboo throughout most of the Brezhnev years, concept of perestroika embraces such hitherto unfamiliar notions in the Soviet context as glasnost and democratisation. It also takes in some - such as emerprise autonomy and complete self-financing – which were talked about in the 1960s, but never more than

Economic reform cannot produce sig-nificant improvements in the standard

of living of Soviet citizens in the short run. (A possible exception is agricul-tural reform, where some progress has already been made, but not as much as Soviet reformers need.) In the transition to a new economic model incorpo-rating a significant market element, old structures will work even less well than in the more stable past, but new ones have yet to be created. A case in point is the shift to allowing economic point is the shift to allowing economic enterprises much greater financial autonomy. This took effect from the beginning of 1988, at least two years in advance of a projected price reform. Given the remoteness of many prices from economic reality, financial results will offer a poor guide to many prices from economic reality, financial results will offer a poor guide to will have a direct effect on the pay and job security of the work-force. Gorbachev has admitted that mistakes will be made in the reform process, but (turning Brezhnevism on its head) he has made it clear that the greatest mistake of all would be to believe that far-reaching reform could be avoided.

Gorbachev's economic reform was

Gorbachev's economic reform was thus bound to be received with scepticism by millions of workers as well as cratic vested interests. It was partly to offset those sentiments that Gorbachev embarked on political reform - a policy now visible only in outline, but due to become clearer at the all-Union party what happens then depends on the

outcome of the political struggle going on in the meantime between the reformist and conservative forces within the party and society. One Soviet writer has gone so far as to describe (in print, what is more, in the journal Novy Mir) the present time as one of "dual power" in which there is a stalemate between reformers and their reproperts with neither able to cain a opponents, with neither able to gain a decisive victory. There is some truth in that. The main significance, however, of Gorbachev's arrival in the top leadership position is that it gave the reformers the best chance they have ever had of making an impact on the Soviet sys-

Some of them believe that it is their last, as well as best opportunity, to do something worthwhile - and to justify and atone for the shabby compromises which kept them within bailing distance of the corridors of power. They see it also as the last chance to make their country a more enlightened and a more efficient place in which to live. Such an outlook certainly prevails among many of those now exercising influence in an advisory capacity in the Soviet Union. There is evidence to suggest that it is shared by Gorbachev himself.

Recent events in the Caucasus provide ample confirmation of De Tocqueville's dictum that the most dangerous time for an authoritarian regime is when it begins to reform itself. It is also when it degris to relatin itself. It is also the most difficult time for a reformist leader. The violence between Azeris and Armenians will certainly be used in a whispering campaign against Gorbachev by his party opponents. They will see the demonstrations and subscurent indicates a direct result of raise. quent violence as a direct result of raising dangerous expectations through an excess of openness and promises of democraticalisms. democratisation.
Nationalist unrest is undoubtedly a

setback for Gorbachev, though a pre-dictable one. It will certainly not be the last unintended consequence of his reforms. The latent national tensions are among the most severe problems Gorbachev has inherited. More than most such problems, they do not permit solutions which can satisfy one significant group without offending another. Even though the initial effect of recent events is to place yet another obstacle in the path of reform, it should

not be ruled out that Gorbachev will snatch victory from the jaws of defeat. He has done it before. Instead of being demaged by the uninterrupted flight of the West German youth, Mathias Rust, to Red Square, for example, he used the opportunity to change the Minister of Defence and strengthen his control over the armed forces.

Now Gorbachev may be bold enough

to argue that some of the present prob-lems could be alleviated by a greater devolution of power to the republics, regions and national areas administered by the indigenous ethnic groups. That would not solve the problem between Azeris and Armenians, where the conflict is not primarily with Moscow but between the two neighbouring republics. At all events, Gorbachev has taken steps to ensure that responsibility for dealing with the prob-lem is shared by the leadership collec-tively. The senior politicians who were sent to the troubled areas from Moscow were evenly divided between Gorba-chev appropries and people who have chev appointees and people who have been in the leadership since Brezhnev's

If Gorbachev had not already consolidated his power at the top of the party hierarchy so effectively, he would now be in greater trouble. But he is in a strong position in the key institutions. The political skill which took him to the top and enabled him to strengthen his power base at unprecedented speed does not appear to have deserted him. Such considerations provide good reason for believing that he will survive his current problems. On the evidence of his first three years as Soviet leader, be deserves to.

The author is a Fellow of St Antonu's College, Oxford.

TO PARIS (C.D.G.)

### The Roman Chancellor

aft has taken the British media a initial flirtation. James Baker, I the crows are building their

get range.

No doubt Lawson will get out of it when he delivers his Budget next Tuesday. No one has ever accused him of lacking intelligence or ingennity. But it would be a mistake to assume that he is not the resigning kind. He does have a streak of restlessness

There are perhaps two keys to his personality. One is that his favourite play – and Lawson loves acting – is Coriolanus. It is about a brilliant man who refuses to woo the crowd to curry

The other is that Lawson real-ises that Coriolanus was wrong. In politics you need at least one major ally in order to survive. That is how Lawson has worked as a Cabinet Minister. For a time Lord Whitelaw was his protector, the man who said you can never sack the Chancellor and who encouraged him to become more approachable. Lawson then struck up an hot summe

effective alliance with Norman Tebbit Both Whitelaw and Teb Tebbit Both Whitelaw and Tebbit are now out of the mainstream and perhaps his closest
ally outside the Treasury today is
watching out for the first frog Cacil Parkinson, the Energy Sec. spawn, generally a reliable indiretary, who may some time succeed him.

He has used the same approach

The second secon

# **OBSERVER**

Initial flirtation, James Baker, initial flirtation, James Baker,

Armies in drag

The story in Tuesday's Observer about Swedish army recruits carrying lipstick in their cartridge belt has an ancestry. A reader from Oxford writes that when he joined his unit in September 1938, his attention was drawn to a seneral routine order drawn to a general routine order of the Romanian Army High

It ran: "With effect from the date of mobilisation of the Romanian Forces, officers below the rank of Colonel are forbidden to wear lipstick on parade."

Frog March

mBill Foggitt, the 75-year-old weather sage from Thirsk, North Yorkshire, is waiting intently for nature's algoposts to confirm his belief that we are in for a long

Yesterday he saw two magpies

It nearly always arrives in his pond around March 26-27. "If it is nests. High in the tree tops-means calm weather ahead, but new nests low down among the branches signal wild weather to come. "They may not look it, but they are very intelligent birds,"

Kiesinger's legacy EKurt Georg Kiesinger, the one-time West German Chancel-lor who died this week at the age of 63, fell into the category of those people one had forgotten were still alive. He deserves more tributes than he has received.

Konrad Adenauer, the first Chancellor, said of Ludwig Erhard: "Have you ever tried to nail a blancmange to a wall?" Adenauer was right. Erhard was a brilliant Economics Minister,

but a rotten Chancellor. Kiesinger was a successful Chancellor in a manner that he did not himself intend. He led the grand coalition of Christian and Social Democrats, which paved the way for a coalition headed by Willy Brandt's SPD. It was the first change of party power at the federal level in postwar Germany and very necessary it was. Kiesinger was Kiesinger was a great stabiliser at a time when Germany could have turned out very different.

Too many Bakers The main story in a British newspaper yesterday was headed: Thatcher and Baker clash on

school testing.
The main story in its business section was: Sterling hits two-year high: Comments by Baker fael the pound's rise. Surely Baker K. is not that powerful vet

num left when his father Marcus, Swedish industrialist par excel-lence, died in 1982.

He appeared ill-equipped for the job, and did not even enjoy the confidence of his father, who death buried the hatchet with the rival Volvo camp and apparently bestowed the mantle of succession on Pehr Gyllenhamnar, Volvo's sophisticated and worldly

Wallenberg senior had ruled chiefly through the sheer weight of his personality, and the so-called Wallenberg sphere was held together with often only small minority shareholdings, leaving it vulnerable to outside attack. Virtually his final act was to allow Volvo into the heart of the Wallenberg empire.

The crown jewels have remained. The Wallenberg sphere includes most of the blue chips of Swedish industry, Saab-Scania, Asea, Electrolux, Atlas-Copco, as well as shared influence in Ericsson and SKF, and the vision

date Peter backed the merger last year of Assa's electrical engineer-ing assets with Switzerland's Brown-Boveri, Europe's biggest cross-border merger to date. accepting a dilution of Swedish ownership for partnership in a higger prize. Now he has gone for Swedish Match.

Thus the son is outdoing the father by rationalising the empire's diverse holdings in Swedish forest products, a goal that always eluded Marcus Wallenberg. And the dynasty has a new style.

In the stars

MOn a notice board at the Cranfield Institute of Science and Wallenberg encore

Peter Wallenberg faced an unenviable, many argued an impossible, task in filling the vac-

# **FLY TO LONDON'S** FINANCIAL HEART.

Why fly to Heathrow when your meeting is in London? The financial centre of London is just a short taxi ride from London City Airport.

With a minimum of fuss and no crowds -10 minutes from aircraft to taxi - a trouble free trio

FROM PARIS (C.D.Q)

Airline	Dep.	Ark	Airline	Dep.	Art.
London City	07.30	07.45	Вгутоп	08.00	10.20
Air France	08,00	08.20	London City	08.15	10.30
Air France	11.00	11.20	Brymon	09.00	11.20
London City	11.00	11.15	London City	12.00	14.15
Air France	12.00	12.20	Brymon	12.00	14.20
Air France	15.00	15.20	London City	15.45	18.00
London City	15.00	15.15	Brymon	16.00	18.20
London City	18.30	18.45	Brymon	17.00	19.20
Air France	19.00	19.20	London City	19.15	21.30
Air France	20.00	20.20	Brymon	20.00	22.20
			<u> </u>		
FROM BR	USSEL	S (NAT)	TO BRU	SELS	(NAT)

Monday to Friday Monday to Friday Airline Dep. Arc Dec. Are 08.25 08.35 London City 09.15 11.20 11,50 1200 London City 15.30 17.35 Sabena Sabena 18.05 18.15 London City 18.45

Time tables for Amsterdam, Rotterdam and other European destinations to follow shortly.

For bookings and details of weekend flights call: Air France & Brymon (Paris) (1) 4535-6161 London City Airways (Paris) (1) 4862-2280 Sabena & London City Airways (Brussels)

(02) 511-9030



**LONDON CITY AIRPORT** 

A MOWLEM ENTERPRISE

### **POLITICS TODAY**

# Why the House of Commons is demoralised

By Joe Rogaly

BRITAIN'S constitution allows its Prime Minister to behave like a Presi-dent of the United States, with one vital difference. In Britain there is no countervalling force — no powerful Con-gress and no independent Supreme Court. A strong British leader does not have to "run against Congress" as some US Presidents have been obliged to do.
As the Prime Minister, Mrs Margaret.
Thatcher, is aware, the present British
Parliament does not veto or seriously
alter major bills. There is no need to

run against it. She simply projects her policies straight to the British people. Thus, on Monday, the Prime Minister and six of her colleagues chose to pro-mote the Government's plans for the inner cities at a press conference. At first there was no thought of making any statement to the House of Commons, but wiser counsels prevailed. Even then Mrs Thatcher, who found time for the media in the morning, did not find time to be in the House when the statement was made in the after-

A few weeks ago there was a similar kerfuffle when the Prime Minister wanted to make her statement on the European Community on a Tuesday, which suits her. There was to be a debate on the Monday evening, which suited the House. After some initial resistance, Mrs Thatcher spoke on the Monday afternoon, in time for that

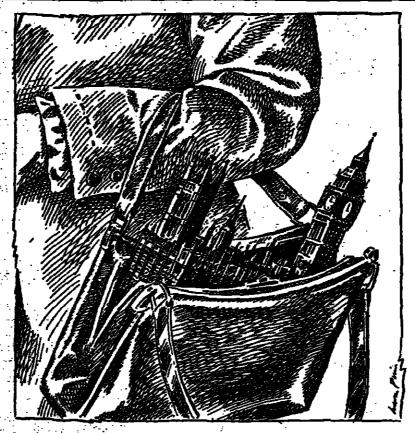
She would rather sell her policies outside the House, why defend them inside a chamber that itself shows so little spirit? There are many indications of this. Government spending on advertising and promotion has quadrupled in the past three years. Contrary to popular belief, this administration does not withhold all information from the media: its ministers and public rela-tions officials alike are ever willing to put forward the message, like horn-again evangelists. They are expected to do it well. The Cabinet Office has just put out a new pamphlet entitled Mak-ing it Plain. It is described as "a plea for plain English in the Civil Service." There is a foreword by the Prime Minister. "When a large organisation such as Government tries to communicate with the man and woman in the street the scope for misunderstanding is enorshe writes. "It is no eraggeration to describe plain English as a fun-damental tool of good Government."

It all fits in. Long before Mrs
Thatcher came to prominence, the
Institute of Economic Affairs set out to
win public support for its belief that
market forces are the most benign
influence on public policy. Its strategy
was to convert the option-makers. Its was to convert the opinion-makers. Its success played a large part in making it possible for Sir Keith Joseph to pro-mote Mrs Thatcher as leader of the Conservative Party and for her in turn to promote the market-force vision with exceptional vigour. She set out to win not only elections, but also converts. This path to government fits in com-fortably with the Thatcherite view of what constitutes democracy. That view was summarised by the Lord Advocate, Lord Cameron of Lochbroom, in the

Mrs Thatcher would rather sell her policies outside the House; why defend them inside a chamber that shows so little spirit?

House of Lords last week. Power was being handed back to individuals. Hear the catechism: privatisation, wider share ownership, deregulation, trade union ballots. The monopoly powers of local authorities in education and hous-ing were being curbed. Parents would manage schools and tenants would choose landlords. "The Government are indeed seeking by their measures the liberation of the people from excessive centralised control whether it be by government, by over-mighty subjects in the form of dictatorial local authorities, or unrepresentative trade union leader-ship," he said. What was being put in place was "an enterprise philosophy based on the exercise of responsibility by the individual."

Lord Cameron was replying to Lord Jenkins of Hillhead, who had initiated a debate on the power of the executive. The former Mr Roy Jenkins's view was traditional enough: Britain had one of the most centralised governments in the democratic world. Local government was being degraded. Within the



Cabinet itself there was a greater con-centration of power. Apart from the Prime Minister, only three members of the present Cabinet had been there since 1979. "I have the impression that a greater number of issues and appointments, which I should have regarded as wholly within the prerogative of a senior Secretary of State, are now set-tled in No 10 Downing Street," he said.

tled in No 10 Downing Street," he said.

Lord Cameron's picture of the nation as a group of independently responsible individuals was attractively painted. But it has little room within its frame for the exercise of responsibility by the elected representatives of the people, be they in town halls or the House of Commons. The latter are now feeling almost as badly emasculated as the former. The Tories have won three elections in a row. They have an overwhelming majority. The opposition is divided. The Labour Party is searching for new policies. Its leader, Mr Neil Kinnock, scores some hits in Parliament, as he did when he asked about sterling this week but, mostly, he is sterling this week but, mostly, he is trounced by the Prime Minister. (It was Mr Kinnock's question that brought out Mrs Thatcher's gut-reaction that she will let the pound rise. That buried the Chancellor's exchange rate policy).

Morale is low. The opposition fears that the odds are in favour of a fourth Tory victory. Conservative dissenters know that they have to endure years of doing little and (usually) voting as they are told. For all such people the 1979-83 Parliament was a period of shock. The 1983-87 Parliament was a time of frustration. The present Parliament is becoming known, inside, as the Exasperation Parliament

Most people are aware of the near-im-possibility of getting the Government to change its mind on all save a few minor amendments thought necessary to get contentious bills through the House of Lords or, very rarely, their own backbenchers. But the real accretion of power has occurred outside Par-liament, in the cheerless rooms in which civil servants write out new reg-ulations and new ministerial orders. A special committee studies these "statu-tory instruments" as these these hafter tory instruments" as they come before Parliament. In theory they can be turned down by either chamber, but in practice they hardly ever are. The committee reports on whether the orders have been properly made. Every now and then it casts doubt on the legality of this or that order. It did so the other of this or that order. It did so the other day, on one about the closure of a Scottish school it was ignored. The officials who draft such orders are not concerned about whether or not Parliament will accept them. They know that

You might think that there is little to worry about in statutory instruments. But their number and power has grown throughout this century. Every one of them is an extra power for ministers (for which read civil servants) to use without real fear of parliamentary oversight. A. V. Dicey, the great constitutional lawyer, was concerned about them at the turn of the century. Lord Hewart, who wrote The New Despotism warned us about them in the tism, warned us about them in the

The Committee on Ministerial Pow ers reported on them in 1932. It told of the device known as a "King Henry VIII clause." The 1932 committee was aghast at such clauses, although it said

Transaction of the second

they could be put in where absolutely necessary. As used today, such a clause allows the minister to rewrite the essence of the bill. You can find it in many statutes. For example the Finan-cial Services Act of 1986 allows the Trade and Industry Minister, presently Lord Young, to define "investment" and "investment business" more or less at his pleasure. Could Henry VIII have asked for more?

local government acts of one kind or another during the peen 2,730 pages of true that in a world of increasingly free capital flows monetary account deficit. It is also possible that the United States has count deficit. It is also possible that the dangers of overheating could be more smoothly managed without damaging exchange rate counterpart is a current account deficit. It is also possible that the dangers of overheating could be more smoothly managed without damaging exchange rate counterpart is a current account deficit. It is also possible that the dangers of overheating could be more smoothly managed without damaging exchange rate capital inflow, to which use the capital inflow, to which use the capital inflow to which use the capital inflows the capital inflows the capital inflow Again, the present Local Government Finance Bill "authorises 344 cases in which ministers alone will take decisions." As to the Education Reform Bill, "there are at least 184 new powers." You may think, so what? But it means that the Secretary of State for Education, Mr Kenneth Baker, can set the national curriculum for schools, by order He can set attainment targets by Education, Mr Kenneth Baker, can set this week is that she appears not tackle structural problems on the the national curriculum for schools, by to have taken this paradox supply side of the economy, such order. He can set attainment targets, by aboard. The ardent proponent of as the welter of controls and tax order. As this week's disclosure of a deregulation and the radical reliefs that distort the housing etter from an official in No 10 Downing Street to his counterpart in the Department of Education indicates, the order is as likely to reflect the views of the Prime Minister as those of her Education Secretary.

The Government's response to those who note how much power it is accumulating is that you have to make new laws so that you can deregulate. You need the powers to create the individual need the powers to create the individ-ual enterprise society. It may look like there is a lot more ministerial power, one is told, but the intention is to have much less. Swallow that, if you are so inclined. Meanwhile parliamentarians tell themselves that since 1979 there have been select committees to scrutinise the work of individual departments. It is small consolation. Little notice is taken of select committee reports. The recent recommendation of the social services committee that more be spent on the health service has been summarily rejected, despite the excellent presentation of the case by its chair-man, Mr Frank Field.

The House of Commons can assert itself. The most recent instance was the vote to allow its proceedings to be tele-vised. This was opposed by the Prime Minister, who prefers to control her appearances on television. There are already "soundings" about whether the privilege of MPs to say what they please in the House ought to be circumscribed before the cameras arrive. (The ostensible concern is over potential breaches of security.) Clearly the day when Mrs Thatcher's governance can be scrutinised by a televised committee of the House in the way committees on of the House, in the way committees on Capitol Hill confront the President's officials, is some way away. Meanwhile, Downing Street (10, not 11) rules OK.

Lombard

# **Delusions of**

at his pleasure. Could Henry VIII have asked for more?

Such powers have grown under governments of all parties. The rate of growth has become faster under Mrs Thatcher. Look at the bound volumes of British laws. Fifty years ago they took up a volume or two a year. There were three volumes in 1979 and five in 1985, with a slowdown to 4½ in 1986. Turn to the volumes containing statitiony instruments. There were four in 1979, but seven in 1985.

The Lords' debate on the Lords' debate on the Lords' debate on the European Monetary Yet it is equally acknowledged that British bond yields nearer West German levels.

Thatcher's antipathy to memberable of the exchange rate mechanism of the European Monetary Yet it is equally acknowledged that British bond yields nearer West German levels.

Thatcher's antipathy to memberable of the exchange rate mechanism of the European Monetary Yet it is equally acknowledged that British bond yields nearer West German levels.

Thatcher's antipathy to memberable pecause it has held interest rates at levels that ensured a big capital inflow, to which the inevitable counterpart is a current was a containing static that the province of the European Monetary Yet it is equally acknowledged that British bond yields nearer West German levels.

Thatcher's antipathy to memberable pecause it has held interest rates at levels that ensured a big capital inflow, to which the inevitable counterpart is a current was a containing static province of the European Monetary Yet it is equally acknowledged that British bond yields nearer West German levels.

The Lords' debate on the counterpart is a current was a level of the counterpart is a current was a containing static province of payments problem pre-charge in the surrent was a containing acknowledged that the membership of a fixed a fixed committee of the counterpart is a current was a containing acknowledged that the province of the counterpart is a current was a containing acknowledged that the province of the counterpart is a current was a containi One of the inherent ironies in the British Prime Minister's remarks about sterling earlier remover of exchange controls speaks as though Britain still enjoys policy autonomy. The maintenance of the illusion might, at a pinch, be understand-able if the Prime Minister were anxious to impose recession on the economy through sterling appreciation, which would imply that policy was coincidentally at one with the markets. But why, then, is she worried about the deflationary implications of join-ing the D-Mark bloc? The reality

> markets. So far Mrs Thatcher has taken most of the flak for this dismal muddle. But the Chancellor should surely take some blame as well - and not simply for promo-

is surely that we have an *ad hoc* interest rate policy, combined with the delusion that dominance of Cabinet and Commons can be

extended to the international

without damaging exchange rate consequences for industry if the Prime Minister and the Chancel-lor had shown more readiness to

That, of course, is known to be politically difficult. And here, perhaps, lies a wider message about the interaction of policy and markets. In the late 20th century we have developed inte-grated, global capital markets that pass instant judgements on the performance of governments. Yet the political structures of the developed world are still firmly rooted in a concept of the nation state that dates from earlier centuries. The question mark that has always hung over the great experiment in capital market liberalisation in the 1980s has been whether this political structure would be able to cope with the inhibiting consequences of financial interdependence, without retreating into financial and trade protectionism.

ting an exchange rate target which he knew to be unacceptable to the Prime Minister. The of protectionism, Congressman fact is that it is not possible to Richard Gephardt, was reckoned control both the exchange rate to be the main casualty, among and the level of interest rates at Democratic election candidates one and the same time; and if Mr of the Super Tuesday election Lawson wanted sterling's infornal link to the D-Mark to be
taken seriously, he must surely
have realised that international
capital would draw the obvious

Thatcher's denial of her Chancelcapital would draw the obvious

The Super Tuesday election
contest. The bad news is that
more taken seriously, he must surely
sterling volatility following Mrs
Thatcher's denial of her Chancelcapital would draw the obvious return to old-style exchange con-The story was neatly encapsulated in a piece of research from the control of the

### Let us tighten fiscal policy

From Professor Harold Rose Sir, Samuel Brittan (March 10) has produced an interesting Hamlet, but without the Prince of Denmark. The dilemma, if it continues, of having to choose between an exchange rate that is too high and interest rates that are too low, can be resolved if we have a tighter fiscal policy, which would enable real interest rates to be reduced without an excessive stimulus to demand.

The policy of relying specifically on a high exchange rate to keep inflation down is justifiable only if inflation is primarily of a cost-push nature. If, on the other hand, it is the pressure of demand that is generating excessive wage increases, any policy which restrains demand will be effective. That further supplyside improvements, which include changes in the structure of taxation, are also required, is

We obviously need a medium term balance of anti-inflationary policy which does not place an excessive burden on the internationally traded goods sector, especially now that we are in a period of declining oil revenues.

A tighter fiscal policy would also make more appropriate the lower interest rates which would follow our full entry into the EMS and which, as Mr Brittan reports, some opponents of entry use as an argument against it. Reducing the subsidy on mort-gage interest, which Mr Brittan advocates as the required response, will not be enough if demand pressures are redistributed through corresponding tax

Harold Rose. Barclays Bank plc, 54 Lombard Street, EC3

If intended for publication, Letters to the Editor should include, where possible, a day-time telephone number.

### Letters to the Editor

### Bringing the shops to book

From Mr Kenneth Kemp. Sir, As a small specialist publisher, I welcome the spread of good quality bookshops such as Hatchards and Waterstone's ("The March of the Multiples", March 9). In many areas of our national life, particularly in foodshops and restaurants, standards are rising with incomes and people are becoming more discerning about where they shop and eat - and buy books.

VAT will do great and possible terminal damage to small publishers and booksellers. Prices 25 King Charles Walk, SW19

From Mr S.A. Gregory. Sir, There is a marked difference between selling books and buying books. Problems in buybuying books. Problems in buy-ing are particularly obvious if one lives in a small UK town. Last year I made purchases in Oxford, Cambridge, London and Palo Alto. These were for books held in stock. The most pleasur-able experience was in Palo Alto,

where Printers Inc runs a bookstore and coffee house For books not in stock the current practice of booksellers is to order by telephoning or visiting ask for full payment and, in the case of W.H. Smith, to allow six My annual book bill runs into case of W.H. Smith, to allow six weeks for delivery if the book is not held in their warehouse. The S.A. Gregory, books which I read are not usu22 Crescent Rd,
ally in their warehouse. Over the Stufford

### Polonium discharge not explained

Many of us wish to know why Kirkella, the pollution inspectorate Hull

From Mr J.D. Sutherland.
Sir, You report (March 3) that
the Environment Department
permits Capper Pass to discharge
592 megabecquerels of polonium
into our North Humberside air

All Westella Way.

ers, have been hit by restricted council spending and now buy very few new books. It is pertly this decline which has led to

lower print runs and therefore higher prices. If VAT is introduced, books really will be for the elite only. Is that what the

than three months and another was cancelled after many

addition to the burden of the pub-

lishers' fixed prices. The full-

price deposit gives an obvious financial advantage to the book-seller and a considerable amount of time has to be spent checking

the movement of the book on

Chancellor wants?

41 Westella Way,

### Nuclear weapons will not go away

From Dr Robert McGeehan. Sir. David Lowry's letter (March 5) condemning British and French nuclear policies als an ignorance incompati hie with the wisdom one would will rocket and many people will turn to videos, television, and other forms of entertainment. Public libraries, which used to be the bedrock of hardback publishlook for at the European Prolifer ation Information Centre. The refusal of France to sten

the Treaty on the Non-Proliferation of Nuclear Weaponshas been clear and consistent. Far from the honesty (sic) of being pro-m clear, the French government has scruptlously kept the pledge made on the day the UN General Assembly commended the agree exactly as the states adhering to the treaty.

More important is the dising

nous attack on Mrs Margaret Thatcher, the Prime Minister, for her supposedly indecent refusal to embrace either mindless ast year, one delivery took more nuclear disarmament or withdrawal from the treaty. Dr Lowry distorts Article VI by his gratu-Thus, buying books not in stock in the UK presents the customer with two disadvantages in itous insertion of "total" nuclear disarmament and his omission of the rest of the article wherethe parties commit themselves to pursue "general and complete ment under strict and effective international control." energy international control.

Anyone with a pennyworth of common sense should admit not only that the impossibility of disinventing nuclear weapons. means they will never be abolished, but also that there is nothing whatsoever in the present context of world politics which suggests the feasibility of strict and effective international con

trol (of anything).

Perhaps instead of taking cheap shots at silly targets we would all do better to note the remarkably slow pace at which nuclear weapons have in fact proliferated, and the great stability which those in existence have brought us.

Robert McGeehan, St Antony's College,

# Sterling Asset. Guaranteed to give you a first class return.



### Assured High Interest.

Sterling Asset is a secure higher interest investment account in a class of its own, The interest rate rises the more you invest.

### Guaranteed Bonus.

If you make no withdrawals for a year, you'll get an added bonus.

As you can see, this can boost your final return to as much as 7.75% net p.a.

### Monthly Income.

We can also pay interest monthly from your Sterling Asset account to provide a regular income, without affecting your

annual bonus. For the rate details ask at your local Abbey National branch.

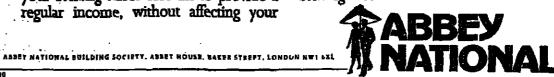
### Withdrawal.

Your money is available at any time without notice, subject to losing 90 days' interest and your bonus.

Give 90 days' notice or leave £10,000 in the account and you lose only your bonus.

### Call in for details,

So if you'd like to be sure of a first class return, just ask your local branch about Sterling Asset.



### How to give value-for-money accountancy to small companies in the UK

From Mr W G Poeton Sir, We are concerned to see audit.

from Mr Bourke's letter (March 2) 3. Audited accounts, often filed that the Institute of Chartered up to a year after an audit, do not ity that must be obtained to pro-Accountants in Ireland — unlike provide any effective protection text the investing public. The audit of similar companies Welsh Institutes — is unaware smaller firms of creditors, and therefore not supportive of 4. Many small companies trade the case for the abolition of the with unlimited liability as a statutory requirement for the result of the demand for personal statutory recurrence in the guarantees made by bankers and UK. Briefly, it is as follows: landlords. Their owners are fully UK. Briefly, it is as follows: 1. A statutory audit creates a at risk in the event of failure.

relationship between the owners 5. Radical thinking is required to of the company and their profes change attitudes in the UK. sional accountants, which is com- There is an enormous waste of pliance-based instead of eco-money and human resources stifling to the smaller business W G Poeton,

nomic.

Which can be put to work much than it is in the UK.

At least 10 per cent, and more more positively.

Which can be put to work much than it is in the UK.

At least 10 per cent, and more more positively.

So Abolition is a logical pert of Companies, the follow-up to the initiative to PO Box 186, accounting charges to small com- far more resources and monitor reduce and simplify the amount SW7 2NF

panies relates to the cost of an ing of standards. This urgent of information disclosed in share need is held back by including holders' accounts of these small small companies within the qual-companies.

which can be put to work much

is not obligatory in Australia, North America and the other

major member countries of the European Community. 8. The US small company sector has been far more buoyant over the past 40 years than the smaller company sector in the UK. The environment in the United States is freer and less than it is in the UK.

We hope that the Irlsh Institute will be prepared to reconsider its current view of abolition. Not only would abolition enable UK small companies to enjoy a similar regulatory environment to that enjoyed in our major com-petitive countries but it would also encourage a more positiv and vaine for money service for small company clients from

The Union of Independent

# **FINANCIAL TIMES**

Friday March 11 1988.



Le Pen paradox poses dilemma for France's political parties, reports Ian Davidson

# Politicians keep racism off agenda

EVERYONE knows that Jean-Marie Le Pen, rumbustions National Front Party in France, represents the major political novelty – and perhaps the major psephological uncertainty – in France, forthcoming presidential

election.

If he secures 10 per cent of the votes in the first round, as the polls suggest, he would certainly have an important impact on the outcome. This might even be decisive, for better or worse, for the final result.

The paradox is that, so far, Mr Le Pen is having very little suc-cess in forcing his stock-in-trade of anti-immigrant nationalism on to the mainline agenda of public debate between the big political

Mr Le Pen continues to harp Mr Le Pen continues to harp on the xenophobic resentments of a significant minority of the elec-torate, with inflammatory speeches in which he effectively blames the high level of unem-ployment on the presence of 4m foreigners. But his rivals in the main left and centre-right parties are doing their best to ignore Mr

Last autumn. Mr Le Pen briefly and unintentionally secured intense public prominence in the headlines, when he made the gross mistake of describing as "a detail" the question of whether the Nazis had killed Jews in gas chambers during the Second

Since then, however, Mr Le Pen has steered clear of any repe-tition of that kind of gaffe, while his reiteration of proposals to restrict family allowances to women of French nationality, to give job priority to Frenchmen, or to impose systematic testing for AIDS, especially in the case of immigrants, no longer attracts all that much attention.

Mr Jacques Chirac's neo-Gaull-ist RPR party and his right-wing allies have at times betrayed a real ambivalence over the dilemma posed by Mr Le Pen. They rode to power in the 1986 general elections on a platform which attempted to pre-empt part of the threat from the ultra-right, by promising a tough law-and-or-



Le Pen: reaching out for a novel political order

to restrict access to French

acquisition of French nationality

an easier, if also a more deliber-

Mr Chirac has promised that, if he wins, the nationality issue

would be the subject of a referen-dum; but he has not made clear exactly what the question would

have plenty of room for manoeu-

tightening up of the nationality laws. But in the intervening two years, Mr Chirac and his friends have increasingly tended to back away from an overtly anti-immigrant posture.

The translating themselves that its conclusions are not all that different from their original propositions.

Only tactless cynics pointed out that the propositions.

grant posture.

In the first place, the tactic did not appear to be having the desired result of weakening Mr. Le Pen's support in the polls. On the contrary, his position has remained remarkably constant, and if anything, it has tended to

Secondly, it began to look like a dangerous ploy, since it risked luring the neo-Gaullists into a counter-productive game of nego-tiation with the National Front on the racial issue.

The racial issue.

The tough law-and-order policy remains, as personified by Mr Charles Pasqua, the hard-line Interior Minister. However, a year ago the Government started to back away from its own draft proposals for tightening up the nationality laws and handed over the whole question to be studied by a committee under the chairmanship of Mr Marceau Long, vice-president of the Conseil d'E-tat

tat.
Their report, a big and impressive two-volume effort, was pubiished earlier this year to a gen-eral chorus of admiration. The only significant critics were the National Front and the anti-rac-iet SOS Passime comprised to ist SOS-Racisme organisation by the former it was deemed too lax, by the latter too restrictive, so by deduction the committee must have struck a nicely-judged political balance.

Even government ministers der posture, robust restrictions have joined in the general muron illegal immigrants, and a mur of approval, publicly con-

his £100,000-a-year post in January last year at the prompting of the Bank of England, was arrested at his home early yesterday morning and taken to a police station in central London.

After being questioned throughout the day by fraud should officers investigating the backer to fund the acquisition.

On the same date, when a per tilling group. His actions first came to light in November 1986 when the Ansbacker he police station in central London.

After being questioned financial assistance by Guinness affair before taking any backer to fund the acquisition.

His actions first came to light in November 1986 when the Ansbacker he police stations in the control of the cont

It will also provide the Army with \$11m in helicopter parts

without charge.

- the £7,514,682 loan to Ans- Guinne bacher - to enable Ansbacher to action.

He was released on police ball ansacher to Guinness.

Ansacher to Guinness.

Ansacher to Guinness.

After resigning, Lord Spens tions of theft from Guinness.

Astich man, London stockbromess affair was perceived as an impression as to the market in, erly and I don't think there was application by the fraud squad for his extradition.

Fifth man arrested in Guinness affair

the population, ever since the blood-letting of the First World

Many people link the current wave of xenophobia with the fact that the most recent wave of immigrants (which, apart from family reunions, was virtually halted more than 10 years ago) is mainly made up of Moslems from North Africa, whereas earlier immigrant waves were mainly European – Italians, Belgians,

Poles and Spanish.

There is no doubt that there is a large element of truth in this a sarge element of truth it has assumption, especially when combined with the high level of unemployment. However, unfortunately, it is also true that previous waves of immigration encountered serious friction.

In the element upwar of the 19th

Only tactless cynics pointed out that the purpose of the Gov-ernment's proposed reform was In the closing years of the 19th century, the immigrant Italian community in southern France suffered a series of murderous attacks by the local French population, which reached their clinationality, whereas Mr Long has made it clear that the purpose of his report would be to make the max at the so-called progrom at Aigues-Mortes, in which more than six were killed and 26

ensure that the timing of the Long enquiry would be such that its conclusions would arrive too late to allow any governmental action before the presidential The 500,000 Poles who were actively recruited to work in the mines and farms of northern France after the First World War had a hard time and after the Second World War, 100,000 returned to Polend

returned to Poland. The rise of Mr Le Pen may be in part the product of ephemeral factors — a labour shortage during the years of high growth, followed by a labour surplus in the

be. Since the Long report runs to 1,200 pages and contains 60 pro-posals, the next president will . It is also true that these "ephemeral" cycles have been repeated several times in the past, with the result that France is probably the closest equivalent in Europe to the American "melting pot."

Even if the Long report is not adopted entirely, it is bound to remain a major reference work for future debate. It underlines, among other things, the familiar fact that France has depended on specessive wayses of immigrants. European demography is fall-ing, whereas that on the other side of the Mediterranean is ris-ing much faster than the local supply of jobs. From this perspec-tive, the Socialist Party is surely successive waves of immigrants over the past century or so to provide man-power.
Less familiar is the fact that
France is the only European related is the only European representation, because it consistently suffered from a low birthate.

Foreigners have long representations in the society of the top priority is to find ways of integrating foreign residents into French society. But that is not a message likely to be welcome to the 10 per cent who vote for Mr Le Pen. country which has never had any significant waves of overseas emigration, because it consistently suffered from a low birth-

### Washington considers sanctions to remove Noriega

PRESIDENT REAGAN was yes terday weighing a variety of eco-nomic sanctions against Panama aimed at onsting the military strongman General Manuel

By Lionel Barber in Washington

strongman General Manuel
Norlega.

Mr Reagan called a meeting of
his top foreign policy advisers as
the House of Representatives
voted overwhelmingly in favour
of strong sanctions to restore
civilian rule in Panama.

The Reagan Administration is
expected to steer a middle course
to encourage the growing civilian
opposition to General Norlega,
while avoiding the risk of an
anti-American backlash among
ordinary Panamanians hurt by
the sanctions.

the sanctions.

A senior US State Department official, Mr Elliott Abrams, last week said the US would withhold

Treaty.

Other measures under review include curtailing the shipment of Alaskan oil to US Atlantic ports through a pipeline crossing Panama.

Panama.

Secretary of State George Shultz said in Washington that Panama's treasury was virtually out of money due to US economic pressure and the Roman Catholic Church said that many poor Panamanians were starving, Reuter

Mr Shuitz, testifying to a con-gressional committee, reiterated US support for President Delvalle and said the administration favoured actions to create cash flow difficulties for the Noriega

"What is happening is that the government of Panama is finding its treasury empty," he said. The US dollar is Panama's official

Panama's ambassador to Britain agreed to a full waiver of

Britain agreed to a full waiver of diplomatic immunity last night to allow British police to question him and staff members about the storming of the Panamanian consulate, the London embassy said.

The British Foreign Office, which on Wednesday rejected what it called a partial waiver offered by Ambassador Guillermo Vega, said it was satisifed with the response. It did not specify what was lacking in Mr Vega's first offer.

British police want to question All four are on £500,000 bail and are due to appear again at Bow Street magistrates court on April 12 when a date will be fixed for the prosecution's application for them to be committed for trial at the Old Beller.

### squad officers investigating the Guinness case, he was charged with four offences: one of conspiring to create a false market in shares, one of false accounting and two of unlawful financial support of share dealings. He was released on police ball and a street of the was released on police ball and the street of the prosecution's application action. However, two months later the for them to be committed for trial action. However, two months later the for them to be committed for trial action. However, two months later the falsile at the Old Bailey. Mr Saunders faces 40 charges, nation because of the damaging publicity being generated by the purposes, namely a letter from Guinness. After resigning, Lord Spens tions of their from Guinness. A sixth man, London stockbro-**IBM** allows Ferranti use of its PCs

Continued from Page 1 personal computer based on stan-dard operating software called

The deal with Ferranti is not exclusive and may well be the first of a series of similar agreements through which IBM will try to secure leadership in the personal computer market with the PS/2 family.

A week ago, IBM said that

reports of talks with Siemens, the West German electronics group, which would have led to a per-

sonal computer cem agreement were "premature".

While not denying that talks had taken place, Siemens indi-cated earlier this week that its own personal computer plans had not changed and that it intended to work on Unix-based systems. Ferranti said yesterday it would continue to market its own IBM PC-compatible machines but abandon development of a PS/2 like system.

### Swedish forest sector plan

Continued from Page 1 into the consumer products sec-tor and higher value business areas as a safeguard against fluc-

mating pulp prices.

MoDo, itself controlled by the
Carlgren and Kempe families,
gained control of Holmen last year from two of the main share-

year from two or the main snarsholders — Ratos, an investment company, and Marieberg, a newspeper and publishing group.

The two deals, totalling SKr2.8bn, gave MoDo and Iggesund (in which it has 49 per cent of the votes) between them about 78 per cent of the votes and 43 per cent of the share capital in

THE LEX COLUMN

# Every dog has its day

The 10p rise in British Aero-space's share price yesterday looks a striking instance of City looks a striking instance of City short-termism working in favour of a grand design. On a long view, Rover's move from loss last year to operating margins of 0.5 per cent may mean little; after all, Austin Rover made a profit back in 1983 before collapsing again. But for investors who sniff the possibility of BAe cashing in at the taxpayer's expense, what matters is the next year or so; and those institutions who were matters is the next year or so; and those institutions who were ill-advised enough to buy BAe at 660p a year ago have no reason to discourage the shares as they struggle up towards 400p now.

Rover's actual figures need to be treated with caution. Austin Rover, for instance, is said to have made \$5 lm operating moffit

week said the US would withhold a \$6.5m monthly payment to Panama for the operation of the Panama for the Pana have made £5.1m operating profit on £2.6hn sales. But the profit is struck before a debit of £15.2m. trary, too large a stated profit could spoil the cosy atmosphere. The point is rather that a pre-tax loss of £21.6m is immensely highly geared on group sales of over £3hn, and that the picture could be transformed by a swing in the number of units sold.

That kind of gearing, of course, can work for shareholders as well as against them. But given that last year's move towards break-even was based on the highest exports since 1979, the market is taking a remarkably relaxed view of the current behaviour of ster-

### Corporate profits

Economists and company analysts have each found fresh evi-dence in the last week to support dence in the last week to support their contradictory predictions for UK earnings. While analysts have been so pleased by this results season that they have fat-tened their forecasts for the cur-rent year accordingly, economists have looked at the rise in the pound and drawn the opposite conclusion.

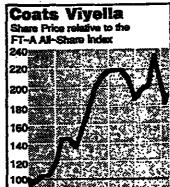
when a person was acquire backer, the London merchant bank, yesterday became the fifth man to be arrested and charged with criminal offences relating to Guinness, the international drinks group.

Lord Spens, who resigned from his £100,000-e-year post in January lest year at the prompting of the Bank of England, was arrested at his home early yesteriagy morning and a coquired 2,150,000 Guinness, and a when a person was acquired by County and the group of the Bank of England, was arrested at his home early yesteriagy morning and a coquired 2,150,000 Guinness, and a when a person was acquired by County and the proposition of the Bank of England, was arrested at his home early yesteriagy morning and a coquired 2,150,000 Guinness, and a when a person was acquired to conclusion.

The four others arrested in the four the composition of the Erness of the Guinness affair are Mr Erness in Guinness, the international of functions as a fair are Mr Erness in Guinness, the international of functions are part of what its alleged to have been an unlaw full share support operation may lest year at the prompting of the Bank of England, was arrested at his home early yesteriage morning and a complete for the purpose of enabling Ansacher clients as part of what its alleged to have been an unlaw full share and the sequestrion of the Herror Corposition for function of the England, was arrested at his home early yesteriage morning and the terms of the function of the Herror Corposition for function of the Herror Corposition function of the Herror Corposition for function of the Herror Corposition function.

The function may be statial at the time.

The function may be a partial water of the trends on the Erness in Guinness, It in the fourth of the response of the Bank (and the partial water of the starting worth for functions of the Herror Corposition function of the continuous control of the control of the control of



rates, their predictions still look lates into results, a resounding low against those of the corporate sector.

The market evidently judges that companies are in the better position to judge; indeed, on P&D's view, equities might seem overvalued. Yesterday's 19 point rise suggests that investors are sufficiently aware of the link since proved a remarkably robust between sterling and earnings to regard a slight fall in the pound as a reason to buy, even if they as a reason to buy, even if they refuse to be alarmed when the currency goes the other way.

### Coats Viyella

Even though profits, margins, dividends and gearing each made a respectable shift in the right direction at Coats Viyella last year, the quality of earnings seems to be creeping off the other way. Not only is a larger proporloss of up to £10m - next time it might not be so lucky.

Perhaps such quibbles are unfair to a company that is making much of its merger, and is doing well in most of its businesses despite patchily difficult markets. The going may have been tough in hand knitting, and the US retail operations may still be exercised.

pessimistic picture of UK corpo-rate earnings, companies like Coats Viyella stand in the firing line, hard hit both by lower growth and by a stronger pound. Even against a brighter macro-economic background, future growth is particularly difficult to predict. Now that most of the predict. Now that most of the simple efficiency gains from the merger have been felt, further improvement will depend on the more difficult second step: developing the company into a broad and powerful international textiles. tiles group. While progress towards this goal is being made, if the market expects the trans-80 1983 84 85 86 87 88 formation to be swift it will continue to be disappointed. If and mists are forecasting higher when the sensible strategy trans-

have solid virtues. Of the 58 per cent rise in last year's pre-tax profit, only half was due to acqui-sitions; and the sharp fall in gearing to 44 per cent seems the result neither of the two rights issues nor of disposals - all of which went to pay for the Hilton acquisition - but of cash flow. It looks as if this year will be chiefly devoted to getting Hilton into shape. Ladbroke's claim is way. Not only is a larger proportion of the whole coming from South America, but the company seems to have escaped a disappointingly low total by dint of a defi reshuffling of its borrowings into dollars. While it can only be praised for getting the market praised for getting the market Manhattan to Watford for a savinght this time – thus avoiding amounting an expected current. ing of \$3m a year. Meanwhile, more should be wrong from the original betting business, where margins have been pushed up to

> Assuming around £225m pre-Assuming around £225m pre-tax this year, the shares are on just under 11 times earnings. This scarcely looks dear on the longer view, particularly as the gamier aspects of Ladbroke's past are replaced by the solid image of the international hotelier. In the meantime, though, there is the matter of that rights issue flop. At 3890, the shares have only just At 389p, the shares have only just regained the issue price; it might be prudent to wait and see how they cope with the resulting sup-

4.7 per cent from 2.8 per cent in

### Bell Helicopter to pay US| Takeshita stumbles \$80m in billing dispute

BELL Helicopter Textron, the US practices had generated excess defence contractor, has agreed to profits of more than \$100m for pay the US government \$50m in the company.

pay the US government \$80m in one of higgest-ever settlements of questionable billing practices, Reuter reports from Washington.

An Army spokesman said that the Texas-based company, a division of Textron Inc, would admit no civil or criminal wrongdoing in the settlement, which ends a franches prophe by the Pentagran four-year probe by the Pentagon and Justice Department. Textron would not be barred from doing future business with the government, the spokesman

The company, which builds civilian and military helicopters, agreed to drop over \$5m in claims against the Army for interest on Company officials had no immediate comment.

Bell Helicopter Textron has denied any wrongdoing in the dispute, in which military auditors said complicated computer billing for parts between 1982 and 1985, defence officials said. World Weathe

	× .	ч	Υ.	amer											
		*				'C				·C	Ŧ			τ	
Apaccia	2	13		Depromis	C	8	46	Lifette	S	13	55	Proces	F	13	4
Nges	Ş	16		Edinburgh	F	ē	46	Marcheder	Č	7	45	Pac ca Jo	C	31	6
Amsterdam	F	8			Crescersos Cresce	16	61	Munic	Č	33	91	Fone	Ě	8	4
Athens .	F	22.23		Florence	9	12	54	Methourne	-	=	-	Saleburo	S	ī	3
Baran	CCC	25		Frankfur	C	- 6		Messa City	C	23	73	San Francisco	F	17	
Bangkok	C	34		Funchel	F	17	83		F	Ä	76	Secol	F	32	5
Bercelona	C	段	54	Genera	F	4	39	Marian.	8	10	50	Singepore	R	28	8
Servil		-	-	Goralia	S	17	63	Montreal	A	5	41	Stocknown	C	D	32
Reffer?	A		4	Clasgo	C	9		Moscow	C	Ō	12	Streetcount	G	5	41
Belgrade	CRSSSC	3	31		S	8		Manuch	G-Bacs++	Ž		Sydney	CCCFF	25 23 16	7
Berbr	R	5		Meternic	C	ø		Naron	F	29	84	l Taibe	F	23	7.
Barrier .	S	10	50	н Кала	F	15	84	Naging	£	12	54	Tanger		18	64
Borreay	S	32		INISPUCA	8	1	34	Ngagey	F	27	80	Tại Âm	CSFA	13	Į.
Bordeaux	Ş	13		Inversely	F	5		Now Date	C	27	80	Tenerte	S	22	72
Brussell.		8		والمستارة	R	15	99	Near York	F	18	64	Takyo	F	13	3
Budapesi	F	- 4	39	lytantaul	Ç	7		Nice	5	13	55	TOTOTOC	A	В	4
Arres	C	27	80		C R F	X		Nicosia	F	17		Tues	ſ	14	57
Care	F	20	殂	367107	F	9	-6	Opens	S	16	61	Velencia	5	:-	57
Cape Town	S	ä		Johnny	Ç	2	72		¢	-1		Venda	S		4
Caracia	Ç	20,53	79	Lang .	F	26		Paris	C	9	48	Wenna	F	4	35
Carabianca	\$ C C	19	66	Liston	F	18	54	Pelang	FSFSCOL	10			G	- 1	3
Chicago		Đ٩	39	Longon	С	11	22	Prague	S	3	37	Wassington	B	Á	4
Cologne	C		4	Los Angeles	F	21	70	Picylaterik	Šn	٠ī		Zunch	S	Ž	38
Copenhagen	Ğ	5	36	Luxerranus programma	8	-3	37						-	_	
Confu	5	12	54	Magnd	F	16	ěi l	Antidoga at a		y ye	í,	lay .			
Dellera		-	_	Majorca	À	10						Fog H-Hes R-R	SUG.		٠
Author .	F	12	92	Malaca	Ë	17	-	San San	-			109 H-109 H-1	-		

Tuesday between the Government and opposition parties is typically vague. The opposition says it has agreed only to discuss the introduction of VAT and other ways to finance the tax cuts.

The LDP says the agreement provides an opportunity to introduce both the tax cuts and tax reform proposals later this year. However, Mr Shintaro Abe, secretary general of the LDP, admitted that only thing clear in the agreement was that "it does not indicate whether discussion on the indirect tax will be allowed or not." This latest sequence of events is early similar to those early last year when the Gov-ernment, then led by Mr Yasu-

hiro Nakasone, first attempted to introduce a VAT. to introduce a VAT.

Then, too, the opposition succeeded in forcing the LDP to capitulate completely by holding up passage of the budget in the Diet. That episode undermined Mr Nakasone's popularity both in the Diet and in the country, and wined any process. country, and ruined any pros-

pects he might have had of extending his term. Mr Takeshita, who took over last November, thought he would fare better than Mr Nakasone, partly by making sure that there was unity on the issue within the LDP, and partly by passing the budget before trying to introduce his tax reform proposals. However, he made what now appears to be the tactical mistake of hroadcasting widely his ambi-tious tax reform plans, and say-ing that he would devote him-self "body and soul" to achieving them.

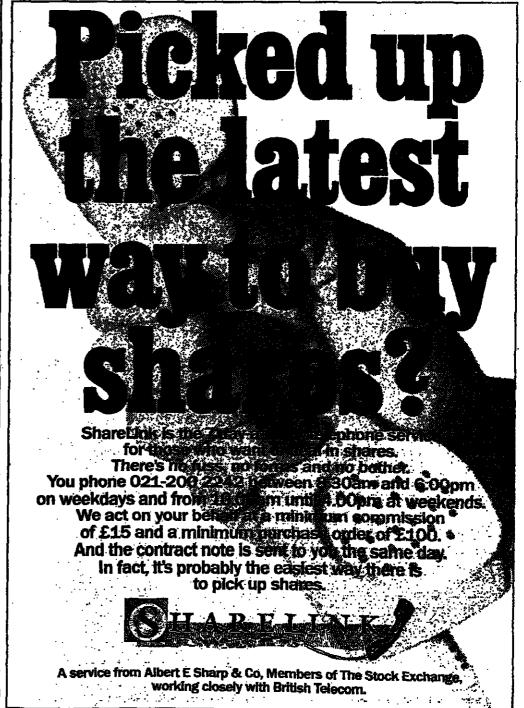
The opposition became suspicious and started demanding concessions, such as the introduction of a capital gains tax on securities transactions. Then, when figures began to emerge showing that Japan's buoyant economy was producing unexpectedly high tax reve-

nues for the Government, the opposition also started demanding big tax cuts.

The Government then made what looks like another mistake, agreeing in principle on tax cuts before winning opposition agreement on reform. This left the field wide open for the opposition parties to name their price,

LDP leaders are still claiming gamely that they will be able to introduce their tax reform proposals, as planned, at an extraordinary session of the Diet in late June, and that the package could be passed during the autumn session.

But it may be, as one LDP leader suggested last month, that it will never be possible to gain opposition agreement on tax reform, and so the Government will just have to buildoze its plans through. It is hard to believe that Mr Takeshita will have the stomach for such a stark course, but he could yet





### SECTION II - COMPANIES AND MARKETS

# FINANCIALTIMES

Friday March 11 1988



# Davis makes \$780m offer for Lorimar-Telepictures

MR MARVIN DAVIS, the some-cation, a string of feature-film have been largely a failure. Mik MARVIN DAVIS, the some-time Denver oilman and former failures and a scandal in §3 owner of Twentieth Century-Fox, made a bid to get back into the film business yesterday with an offer of \$780m for Lorimar-Tele-pictures. Hollywood's biggest ited contest for the Culver City maker of television programmes.

Mr Davis, who last autumn sold the celebrated Beverley Hills

entertainment and communications, the Mr Davis, who last autumn sold the celebrated Beverley Hills Hotel to the Sultan of Brunei for about \$200m, is offering \$17 a share in cash subject to conditions, Lorimar said yesterday. The company said it would bear his approach in mind.

Mr Davis is believed to hold at least 2 per cent in the troubled company, which has been plagued by unsuccessful diversifiant of the sultant sultant sultant sultant successful series as Dallas, has a strong business selling programmes to television stations.

But attempts by Mr Merv Adelson, chairman, to diversify and enter the feature-film business

US retailers stage strong rise

fourth-quarter earnings despite signs of a slowing economy.

K mart, the Michigan-based discount stores group which is the second largest US retailer, said it posted record sales and earnings for the 1987 fourth quarter and full year, although it failed to meet sales targets.

In the fourth quarter ended January 27, K mart earned \$570.3m or \$2.84 a share from \$321.2m, or \$1.58 a share, com-

\$321.2m, or \$1.58 a share, com-continuing operations on sales of pared to earnings from continu-\$23.8bn.

The company lost \$19.2m on revenues of \$256.1m in its most recent quarter, parily because of problems at its home-video com-

OMr Burt Sugarman, the Hollywood film producer and industrialist who recently launced a \$1.75bn bid for Media General, said he may consider other ways to gain control of the Virginia-based media group, including a proxy fight for seats on the com-

Rover reported a profit (before interest and tax) of pany's board.

The bid is priced at \$61.50 a share, but is given little chance of success because of the com-£27.9m (\$49.8m) against a loss in 1986 of £355.6m, its best financial performance since

At Dayton Hudson, the department store group, fourth-quarter net earnings from continuing

operations rose 11 per cent to \$133.7m or \$1.54 a share from \$120.8m or \$1.24 a year earlier.

The group has accumulated losses of £2.68bn and has needed £2.98bn of state aid Pre-tax losses were cut to £21.6m from £455.6m in 1986. TWO LEADING US retailing ing operations of \$270.6m, or \$1.34
The company said that despite groups, K mart and Dayton Rudson, yesterday reported higher \$7.75bn from \$7.23bn.

Excluded from 1986 fourth good year in earnings on the company said that despite a slowing economy and consumer caution, it expected "another good year in earnings" in 1988. Net losses fell to £26.8m from £892m in 1986, when the group

Rover makes

**U-turn** with

profits

of £27.9m

ROVER Group, the state-owned UK vehicle maker fac-ing a possible takeover bid by British Aerospace, achieved a

small operating profit last

year for only the second time in the last decade.

Its heavy debt barden meant, however, that it still

suffered a pre-tax loss despite a turnround at Austin Rover,

its volume cars division.

Profit / Loss before interest to

400 80 82 84 88 87

suffered extraordinary losses Austin Rover, which increased its volume sales of cars and car derived vans by

cars and car derived vans by
12 per cent last year in 471,500
units, managed a tiny operating profit of £5.1m against a
£168.6m loss in 1986.

It has made big gains in
export markets, but its share
of the bounding UK new car
market alumped last year to
below 15 per cent for the first
time

Land Rover increased its operating profit to £22.5m from £1.6m. Lex, Page 20

### De Benedetti challenges rivals to April showdown

In a move mostly significant in public relations terms Mr De Benedetti said Cerus, his Parisbased helding company, and other shareholders supporting his aims had informed La Générale that they wished to convene sels last night Cerus said this an extraordinary general meeting would include discussion of La "as soon as possible".

Générale's recent actions in rela-

and made by the two groups authorised capital approved by about the size of their holdings in the last ECM in September (the SGB, has been widely expected in "poison pill" defence), and plans Brussels. But most hints that it to co-opt Mr De Benedetti, Mr was imminent had been made by André Leysen and Mr Pierre Scothe Franco-Belgian consortium, hier on to the board.

MR CARLO De Benedetti, the led by Compagnie Financière de Italian industrialist, last night Suez of Paris and the Belgian effectively challenged the rival insurance company Groupe AG, Franco Belgian shareholder camp in Société Générale de Belgique to an April showdown.

Mr De Benedetti's apparent Mr De Benedetti's apparent

pre-emptive strike not only enables him to be seen to be taking the initiative but allows him to set the agenda for an EGM. In a statement issue in Brus-

The decision to call an EGM, tion to Belgian commercial law, a which would provide the first motion proposing that the board opportunity to test the claims should not make use of the and Chevron operating in Asia

# **Colt Industries announces** surprise leveraged buyout

BY ANATOLE KALETSKY IN NEW YORK

COLT INDUSTRIES, the highly ship specialising in leveraged aggressive business programme, including acquisitions," accordate which amazed Wall Street in The new company, to be called ing to Mr David Margolis, Colt's leveraged industrial conglomerate which amazed Wall Street in 1986 by paying its stockholders a cash dividend of \$85 on shares which had been trading days earlier at only \$87, is undertaking an sudneigus new leveraged by your will also include senior managers of Colt as substantial shareholders. The leveraged by your will adolt \$460m in debt to Colt belonge short audacious new leveraged buyout. debt to Colt's balance sheet, Colt, which makes automotive which already carries about and aerospace components as \$1.4bn in debt and shows a negawell as the famous but much less tive net worth of nearly \$1bn. important Colt revolvers,

In spite of its high leverage, Colt has had no difficulty in meeting the interest liabilities it took on in its 1986 recapitalisation and by the end of last year it had prepaid all of the principal it

announced yesterday that it However, as part of the deal would be taken over for \$17 in the buyout partners will also have also been rewarded hand-cash per share, or about \$600m in inject \$200m of new equity into total, by a new company formed by Morgan Stanley Leveraged pany "with the opportunity to establish and implement a more received one new share in Colt.

# First Pacific Holdings up 33%

FIRST PACIFIC Holdings (FPH), ciates, last week agreed to sell joined a venture to take over the Hong Kong-listed financial services group, boosted net profits by almost a third last year to US\$16.5m compared with \$12.6m

Its all this would be one of a of Los Angeles follows a sixner for a buyer for the throughout South-East Asia.

Assets at the end of 1987

its First Pacific International 35-branch bank.

(FPI) offshoot, which contains interests in marketing and distribution, trading, property and stockbroking, produced after-tax united Savings Bank of Califerations of \$13.7m compared or \$13.7m compared or \$10.00 point South-East Asia.

Assets at the end of 1987 totalled \$2.6bn against \$2.3bn. The total dividend is 2.6 cents compared with 2.3 cents.

FULL has been seaking to build warners by its profits growth mainly to strong performance by its profits and discount south-East Asia.

with \$7.6m.

FPH has been seeking to build mances by its marketing and disFPH, which is controlled by the its operations in Asia-Pacific tribution arm and by First Pacific
Liem family and Indonesian assomarkets, and last December Davies Properties.

### Texaco nears \$3bn finance deal

BY ANATOLE KALETSKY IN NEW YORK

TEXACO, the large US oil com-pany which is planning to emerge within the next few months from Chapter 11 bank-ruptcy, said it was close to arranging a \$30n bank credit to help finance its reorganisation. The loan will be secured by

Texaco assets including the company's shares in three large international subsidiaries — Texaco Canada, Deutsche Texaco and Caltex, which is a joint venture between Texaco and Chevron expecting in Acia

and Australia. Texaco said in filing with the Federal bankruptcy court in White Plains that the \$3bn would be borrowed through a secured revolving credit facil-ity to be provided by between 20 and 30 US and international

Earlier this week it was reported that Texaco might be having difficulty in arranging threat of a takeover bid from

Mr Carl Icahn, the company's largest shareholder. Mr Icahn owns 14.8 per cent of Texaco, and banks were said to be fearful that he would seek to increase the company's debt-equity ratio above the cur-rent level of around 55 per

The proceeds of the loan will be used to finance the total liabilities of about \$5.6bn which Texaco expects to face in emerging from bankruptcy.

# Manny Hanny sees \$230m special gain MANUFACTURERS Hanover, the a strategy to restore common In a letter to shareholders US bank holding company, shareholders equity to 4 per cent included in the annual report expects an after-tax extraordior of assets by the end of the year. released on Wednesday, the bank

viewed by analysts as worth up

reported to be considering selling effits, and stronger operating ity." its consumer finance operation, earnings.

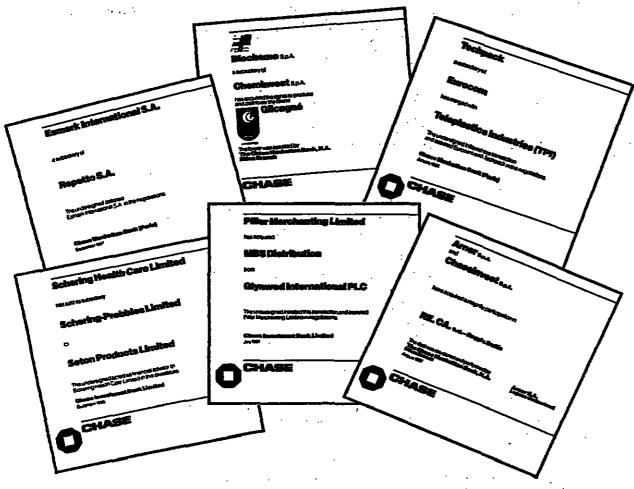
the expected \$230m gain is part of Third World loans.

expects an after-tax extraorus nary gain of \$230m by the end of 1988 through the sale of a portion through a combination of gains holders' equity to 4 per cent, the from the sales of undervalued ratio prior to the reserving from the sales of undervalued ratio prior to the reserving action, is our overriding prior-

Manufacturers Hanover fore-Last year the bank added cast a profitable performance this viewed by analysts as worth up to \$500m.

Last year the bank added cast a profitable performance this \$1.7bn to its loan loss reserve, year in three key segments of manufacturers Hanover said reflecting the reduced value of global wholesale, middle markst,

> The accent is definitely local But the M & A expertise is always world class.



Our depth of knowledge about European domestic markets combined with a breadth of investment banking expertise brought these companies to Chase.

Whether in cross-border or domestic Mergers and Acquisitions, Chase, with its commercial banking network, has the dedicated and experienced professionals to meet the complex, special-

ised needs of your company.
It's a combination you'll find anywhere you find Chase. And you'll find Chase everywhere in

For further information please contact Christopher J. S. Clegg, Managing Director, Mergers and Acquisitions Department, Chase Investment Bank Limited, Woolgate House, Coleman Street, London EC2P 2HD. Telephone: 01-726 3710.

CHASE

# **NOCO**

Norwegian Oil Consortium A/S & Co.

U.S.\$130,000,000

Limited Recourse Financing

Managed by

CHRISTIANIA BANK OG KREDITKASSE

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Funds provided by

CHRISTIANIA BANK OG KREDITKASSE

BANK OF AMERICA NT & SA

DEUTSCHE BANK AKTIENGESELLSCHAFT

THE INDUSTRIAL BANK OF JAPAN, LIMITED

THE ROYAL BANK OF CANADA

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

THE BANK OF NOVA SCOTIA GROUP

FIRST REPUBLICBANK DALLAS, N. A.

SOCIETE GENERALE

Union Bank of Norway

Christiania Bank og Kreditkasse

28 January, 1988

This announcement appears as a matter of record only:

### **Company Notices**

ARROW CAPITAL N.V. NOTICE OF REPURCHASE OF SHARES

NOTICE IS HEREBY GIVEN of an after by the Company for the repurchase of out-standing shares at a price equal to the unsudied net asset value per thane as per Marrah 31, 1988 use a 1 persont de-count payable in cash. The repurchase will take place pro rate on the basis of the sharest hondard for conferention, to at a

The offer has been approved by the Armset General Meeting of the Company held on March 4, 1988 at 3 o'clock in the atlanmon (local time) at the offices of the Company, John B. Gorstraway R. Williomstate, Caresco, Netherlands Antiller.

This offer applies only to acceptances lodged prior to the close of business on Asarch 25, 1988. After this date shares tendened cannot be withdrawn.

SYTIMIS MANAGEMENT COMPANY N.V. Managing Director with the approval of the Advisory Sound Registered Office.

John B. Gordanieng 5 P.O. Box 3989

Williamstaff

Sponsoring Bunks: N M ROTHSCHILD AND SONS LIMITED

New Court St. Swithin's Lane London EC4P 4DU ROTHSCHILD BANK AG Zolikerstrasse 181 8034 Zurich N. HELDRING & PIERSON N.V.

BANQUE INTERNATIONALE A LUXEMBOURG S.A. 2. Bouleverd Royal

QUE BRUXELLES LAMBERT S.A.

CHELD S.A. 18, Rue do Hesse Geneva

NOTICE TO THE HOLDERS OF TOYO SASH CO., LTD. Warrants to subscribe for shares of Common Stock of Toyo Sash Co., Ltd. issued in US\$100,000,000 1%% Bonds

Pursuant to the Paying and Warrant Agency Agreement dated 30th June 1987, notice is

hereby given as follows: 1. On 24th February 1985, the Company resolved to make free distribution of shares of its tion of shares of its Common Stock to shareholders of record as of 31st March 1988 (Japan time) at the rate of 1 share for 10 shares held.

2. Accordingly the adjusted Subscription Price per share of the above-mentioned Warrants will be Yen 5.506.60 per share of Common Stock, with effect from 1st April 1988 [Japan

TOYO SASH CO., LTD. By: The Taiyo Kobe Bank Limite Principal Paying Agent Detect: 11th March 1988

PRICE WATERHOUSE and the FINANCIAL TIMES CONFERENCE ORGANISATION

MARKETS

Financial Times Contentice Organisal

Price Waterhouse

FINANCIAL TIMES
CONFERENCE ORGANISATION

### CLASSIFIED ADVERTISEMENT RATES Per line coi cm

(min. 3 lines)(min. 3 14.00 47.00 **Appointments** Commercial and Industrial 12.00 41.00 Property 34.00 Residential Property 10.00 **Business Opportunities** 14.00 48.00 Businesses For Sale/Wanted 44.00 13.00 34,00 10.00 Personal Motor Cars, Travel 10.00 44.00 13.00 Contracts, Tenders Premium positions available £10 per Single Column cm

extra (Min 30 cms) All prices exclude VAT For further details write to:

Classified Advertisement Manager FINANCIAL TIMES, 10 CANNON STREET, LONDON EC4P

Notice to Warrantholders of

### Eisai Co., Ltd.

U.S.\$100,000,000 3 1/8 per cent Guaranteed Bonds due 1992 with Warrants to subscribe for shares of common stock of Eisai Co., Ltd.

Pursuant to the Terms and Conditions of the above-mentioned Warrants, notice is hereby given as follows: At the meeting of the Board of Directors of the Company hald on 10th March, 1988, resolution was adopted on the issue of new shares by free distribution as set out below:

(1) The tree distribution will be made to the shares for each one share; rosted distributed that any fractional new shares resulting from the allotment will be sold by the Company and the proceeds thereof will be distributed to the shareholders according to their fractional shares.

(2) The free distribution will become effective on 20th, May, 1988.

Pursuant to the Clause 3 of the INSTRUMENT, subscription price of the Werrants will be adjusted. settive as from 1st April, 1988, Tokyo Time, as follows: Subscription Price before adjustment: ¥2,087.00 Subscription Price after adjustment: ¥1,739.40

Gencor A

31 December

8,618

7,929

Eisai Co., Ltd. 6-10, 4-chome, Koishikawa, Bunkyo-ku, Tokyo, Japan

General Mining Union Corporation Limited

Dividend increased to 250 cents per ordinary share

• Contributions by Malbak, Sappi and Genbel up again

# Write-offs push Statoil into the red

WORKSHOP

16-18 MAY, 1-3 JUNE & 11-13 JUNY 1968

This important 3-day workshop will benefit all those will penetral more responsible for managing capital market activities or providing the vital support services. For further information on these case-study based programmes please return this advertisement with your business card to:

### Sharp rise in Gevaert earnings

Capacity at Mongstad is being

Before extraordinary items Sta-

toil profits totalled NKr6.4bn

against NKr4.2bn. The company

Statoll said that it has chosen

to write-off costs on the Mongs-

tad project against 1987 figures

against the 1987 accounts.

GEVAERT, THE Belgian holding company whose chairman, Mr André Leysen, has played a prominent role in the battle for Société Générale de Belgique, yesterday announced net profits for 1987 of BFr1.6bn (\$45.9m) against RFr1.15bn in the previous 12-month period. The net consolidated result last

year was BFrl.58bn, against BFrl.88bn previously, but a com-pany official said that this reflected the extraordinary impact of capital profits in 1986. The company's current operations were roughly 7 per cent ahead.

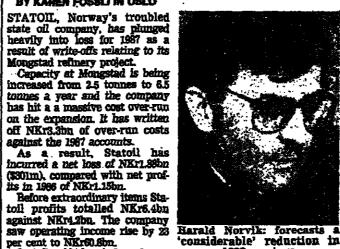
cent controlled by Cobepa, another financial holding comanother financial holding com-pany, and other companies in the Cobepa group. It does not directly manage any businesses but holds direct share stakes in other bank-ing, shipping, chemicals and pub-lishing concerns (including Bayer, the West German chemi-cals group).

cals group).

Mr Leysen has shot to prominence in the last few weeks, at first the apparent saviour of La to SKr13.24bn, from SKr12.72bn in 1986. The board proposes to raise the dividend from SKr3.5 to SKr4.25 a share. Générale, but subsequently as the first significant Belgian ally for Mr Carlo De Benedetti in his

straggle to win control of the country's most powerful business institution:

In an unexpected turnround last month, Gevaert sold its 2 per cent stake in La Générale to Mr De Benedetti's shareholder "camp." Gevaert, however, now holds a significant minority stake in Europe 1992, Mr De Benedetti's new holding company.



Harald Norvik: forecasts a considerable' reduction in

1988 earnings way's biggest-ever industrial scandal, has forced a radical reor-"to reduce the charge on result in ganisation of the group. the years ahead." The budget Three divisions — ext

items dropped from FM446m to FM2bn. FM128m (\$31m) mostly as a result

of big losses on shipbuilding.

Group turnover last year feil 23
per cent to FM4.7bn.

The dividend is being held at
FM7.80 a share. Wartsila plans to
seek advance authorisation for

the issue of up to 2.4m new shares, worth FM522m at current

SANDVIK, the Swedish cemented

carbide and special steels group, is to increase its dividend follow-

ing a 10 per cent increase in prof-

helped by stronger demand for its

products in the second half of the

Group sales rose by 4 per cent

Sandvik remains cautious

sions within the next few weeks.

The Mengstad affair forced the resignation of Statoil's board. The new chairman, Mr Harald Norvik, said the board expects a "considerable" reduction in its earnings in 1988, before extraordinary items. "owing to trends in changing retail brand names to

INTERNATIONAL COMPANIES AND FINANCE

nary items, "owing to trends in oil prices and exchange rates in addition to capital costs of the new refinery at Mongstad." As for individual divisions, profits before adjustments for exploration and production reached NKr3.9bn, transportation earnings from pipeline systems totalled NKr2bn, while refining

Shipbuilding loss hits Wartsila

Sandvik to increase its dividend

"All the dollar-related markets

have grown and we have not been so affected by the dollar's

Sandvik's cemented carbide controls, increased efficiency and

The group said that it had wit- though profits increased by 18

nessed a growth in the market per cent to SKr29Im. The group for cemented carbide products in South-east Asia and Australia. 1987, demand had picked up later

tad project. Petrochemicals expe-rienced its best year ever with

ly-integrated company. Statoil Revenue from refining and said that it expects to announce marketing activities rose to appointments to the new divi-

showed improvements, and while changing retail brand names to Statoil from Esso in the latter two countries had positive effects, the economic results were below expectations.

Statoll vowed to "dedicate great attention" to completing the Mongstad project at the lowest possible price and as quickly as possible. Over-runs at the project have been estimated to run and marketing saw a deficit of NKr3.3bn, because of the Mongs-NKr9bn above the original NKr6.5bn price tag.

The company said it will give top priority in the years ahead to over-shoot of the Mongstad terminal and refinery expansion project, which has been called Norwill be established within a ful
Three divisions - exploration
profits of NKr520m.

Group investments reached exploring for new oil reserves.

NKr11.7bn in 1987 compared with and enhancing its oil recovery

NKr8.4bn in the previous year.

tary porcelain, netting FM712m;

Sandvik's steel operations showed flat sales at SKr4.07bn,

on and 1988 has kicked off with a

The saws and tools operations

good order intake.

### **GB-Inno** builds takeover defence

ich

By Tim Dickson in Brussels

GB-INNO-BM, the Beigian supermarket group whose share price has gyrated wildly in the last few days on rumours of a hostile bld, appears to be shoring up its defences in the event of a take-

over battle. The company has placed a five-year floating rate note of BFr610m with a group of "stable shareholders" and said that attaching warrants could be converted into ordinary shares equivalent to almost 20 per cent of the group's capital

at any time a raider appears.

The move is superficially reminiscent of the tactic employed by Société Generale de Beigique when Mr Carlo De Benedetti, the Italian industri-alist, first disclosed that he was planning to make a partial offer for Belgium's most pow-erful financial and industrial group. La Générale's manoeu-vre immediately ran into legal difficulties on the grounds that WARTSILA, THE Finnish ship-building group, reports a sharp decline in profit and turnover for 1987 but plans to maintain its dividend.

Profit before extraordinary items dropped from FM446m to 1987 but plans to maintain its profit before extraordinary items dropped from FM446m to 1987 but plans to maintain its profit before extraordinary items dropped from FM446m to 1987 but plans to maintain its profit before extraordinary items dropped from FM446m to 1987 but plans to maintain its profit before extraordinary items dropped from FM446m to 1987 but plans to maintain its profit before extraordinary items dropped from FM446m to 1987 but plans to maintain its profit before extraordinary items dropped from FM446m to 1987 but plans to maintain its profit and turnover declined by FM880m to 1987 but plans to maintain its profit and turnover declined by FM880m to 1987 but plans to maintain its profit and turnover declined by FM880m to 1987 but plans to maintain its profit and turnover declined by FM880m to 1987 but plans to maintain its profit before extraordinary its plans to maintain its plans to maintai a capital increase should not be permitted once a bid had been announced. But after several court hearings it was finally cleared last month on

Another FM800m loss of sales was incurred when Wartsila and valmet, the Finnish metal and engineering group, merged their respective shipbuilding and papermaking-machinery operations. The Valmet group now includes Wartsila's former paper-machinery division while Wartsila conappeal. The latest development at GB-Inno has not only been cleared by the Belgian Banking Commission but is also likely to go down better in the stock market. One leading analyst said last night: "It respects the rights of share-holders and there should be no dilution. In any case the comdilution. In any case, the company has done well and does not deserve to be taken over." Several international names

- notably McDonald's of the US, Argyl of the UK and Carrefour of France - have been mentioned as possible bidders operations showed a 6 per cent a better mix of products had also increase in sales to SKr7.11bn, contributed to the stronger perand an 8 per cent rise in profits formance. but observers say demand for GB-linne shares could simply have been fuelled by specula-tors who have made profits on La Générale shares.

GB-inno said the floating rate note had been taken up by Groupe Vaxelaire and the Belgian holding companies Cob-epa, Groupe Braxelles Lam-bert, Gevaert and Sofina.

### **CCF** boosts profits 23%

By George Graham in Paris

CREDIT COMMERCIAL de France raised profits to FFr432.6m (\$76.6m) in its first year back in the private sector — a gain of 23 per cent from the previous year the previous year.

Gross operating profits rose 10 per cent to FFrI.75bn, while capital gains remained stable at FFr237m.

CCF, France's ninth largest banking group, increased its provisions, setting aside FFr1.28bn to cover debt risks. Country risk provisions tripled

to FFr600m.

The group used to be one of the least-well provided of major French banks, as the need to write off client risks had reduced the level of provi-

### fall because we buy most of our reported a 13 per cent increase in raw materials in dollars," said Mr sales to SKr1.37bn, helped by the Ebbe Bengtsson, executive vice mini-boom in consumables, while about the outlook for 1988. The group said this year has started very well, and profits should be "in line" with the 1987 figures. president. profits inched up 1 per cent to He added that improved cost SKr104m. Sterling Airways sold to investors for DKr754m

its (after financial items) to (after financial items) to SKr1.89bn (\$320.4m) for 1987, SKr1.32bn.

BY HILARY BARNES IN COPENHAGEN

STERLING AIRWAYS, the Danish independent airline which is director, Mr Einar Lundt, last the fourth largest in Europe, has year. He has now succeeded in been sold for DKr754m (\$118.4m) selling the shares to a wide range.

been sold for DKr754m (\$118.4m) to a group of Swedish and Danish interests.

The company will remain under Danish control, however. A wide range of Danish investors together with airline employees will purchase 51 per cent, with the balance going to the Reso travel group of Sweden.

The airline, formerly part of the Tigerborg travel group, has been sold by the form of the six members of the supervisory board.

Year. He has now succeeded in selfing company with subsidiaries listed in Hong Kong, Thailand and Malaysia, lifted group net about the capital.

The articles of the new company with subsidiaries listed in Hong Kong, Thailand and Malaysia, lifted group net profits from DKr316m to DKr339m.

Sales rose from DKr14.17bn (\$2.22bn) to DKr14.47bn and earnings after net financial items from DKr381m to DKr444m.

With 95 per cent of sales made outside Denmark, results are also reported in dollar terms. These

### East Asiatic registers steady growth By Our Copenhagen Correspondent

the Tjaerborg travel group, has been sold by its founder, Mr Elif Krogager, a clergyman from West Jutiand. Mr Krogager formed the Tjaerborg group in the 1950s.

A mandate to raise new capital four of the six members of the six members of the six members of the six members of the supervisory board.

Ourside Demmark, results are also need to write off client risks reported in dollar terms. These show sales up 23 per cent to sions it was able to make for country risks. A one-off operation shortly before its privation shortly before its privation shortly before its privations.

The directors propose an unchanged 8 per cent dividend.

### NOTICE

### THE SUMITOMO BANK, LIMITED U.S. \$120,000,000

2¾ per cent. Convertible Bonds 2000

Notice is hereby given that with respect to the issuance of new shares for free distribution authorised at the meeting of the Board of Directors held on 25th February, 1988, the shareholders appearing on the register of shareholders of the Bank as of 31st March (Thursday), 1988 (Japan time) (the record date) will be allocated 0.05 new shares for each share held by them, and as a result of such authorisation of free distribution of shares the following adjustment of the conversion price shall be made pursuant to Clause 7(H) of the Trust Deed constituting the

captioned Bonds dated 29th July, 1985: 1) Current conversion price before adjustment: Yen 2,079.2 2) Conversion price after adjustment: Yen 1,980.2 3) Effective date of the adjustment (Japan time): 1st April, 1988

By: The Samitomo Bank, Limited Principal Paying & Conversion Agent.

GENOSSENSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT

U.S. \$50,000,000 Floating Rate **Subordinated Notes Due 1992** For the three months 11th March, 1988 to 13th June, 1988 the Notes will carry an interest rate of 71/16 per cent. per annum. Interest payable on the relevant interest payment date,

13th June, 1988 against Coupon No. 27 will be U.S. \$92.20 Listed on the Luxembourg Stock Exchange. By: Morgan Guaranty Trust Company of New York, London US. \$250,000,000

### CARTERET SAVINGS BANK FA

Collateralized Floating Rate Notes Due 1996 of which U.S. \$125,000,000 is being issued as the Initial Tranche

Interest Rate Interest Period 71/16% p.a. 11th March 1988 12th September 1988

12th September 1988 U.S. \$3,629.34 Credit Suisse First Boston Limited

Notice of Redemption

US\$55,750,000 7.58 per cent. Notes due 1988-1993

Payment will be made upon surrender of Notes together with all coupons meturing after the date fixed for redemption, at the offices of the Paying Agents as shown on the Notes. Coupons meturing on April 15, 1988 should be detached and presented for payment in the usual manner. On and after April 15, 1988 interest on the Notes will cease to accrue and unmatured

Outstanding after April 15, 1988 US\$46,500,000.

March 11, 1988 By: Citibank, N.A. (CSSI Dept.) London, Flacal Agent

CITIBANCO

**Audited results** 

Per capital unit - cents

1987 Highlights

Further increase in earnings

New mining projects underway

	1987 Ran	1986 d million
Investment income		
-Gold and uranium	136.8	156.7
- Platinum	39.6	33.4
-Coal	2.3	28.2
- Metals and minerals	135.2	161.0
Mining total	313.9	379.3
Genbei	80.6	49,6
-Sappi	111.0	56.9
- Malbak and associates	92.6	34.4
- Other investments	15.7	13.1
Total investment income	613.8	533.3
Township income	21.0	10.5
Corporate income	91.5	96.1
Total income	726.3	639.9
Exploration	(727)	(48.2)
Attributable income	653.6	591.7
Per capital unit cents	669	616
Net asset value (investments at market value)		
Rand million	7,763.9	8,419.8

### **Dividends and interest**

The following final dividends and interest

payment were declared on 10 March:

Dividends	
Ordinary shares	160 cents per share
8.5% variable convertible preference shares	135.25 cents per share
Interest	
12.5% convertible debentures	168.75 cents per debenture
Last date of registration	25 March 1988
Currency conversion	28 March 1988
Payable on	14 April 1988
Registers will be closed from	26 March 1988 to 8 April 1988

Ji Gui lei y Gi lei GS	share
3.5% variable convertible preference shares	135.25 cents per share
nterest	
2.5% convertible debentures	168.75 cents per debenture
ast date of registration	25 March 1988
Currency conversion	28 March 1988
Payable on	14 April 1988
Registers will be closed from	26 March 1988 to 8 April 1988
nual report and chairman's revie	w will be

6 Hollard Street Johannesburg 10 March 1988

A Company of the Comp

Agent Bank

Interest Amount per U.S. \$100,000 Note due

**European Economic Community** 

NOTICE IS HEREBY GIVEN that, pursuant to the terms and conditions of the Notes, the following Notes numbered 01 to 37 are due for redemption on April 15, 1988.

coupons will become void.

America

### INTL. COMPANIES AND FINANCE

# Fletcher and BIL in NZ\$661m deal

FLETCHER CHALLENGE has the third purchase in the pack-further consolidated its position as New Zealand's largest company with a NZ\$661m is changing hands for NZ\$40m.

By adding Winstone to its changing hands for NZ\$40m.

in the

Contract of the second

buy Winstone, a building materials will have a negary common and NZ\$177m to acquire BHL's 15.6 per cent of Petrocorp to add to the 70 per cent Fletcher bought from the However, the two companies have received in the two companies. New Zealand Government last have neatly sidestepped the need week after it withdrew from a for approval. BIL will sell Win-

from Sir Ron Brierley's Brierley already extensive building pro-Investments (BIL).

The deal includes NZ\$444in to Fletcher will have a highly domi-

deal with British Gas.

BIL is selling its Petrocorp stake at the same NZ\$1.75 per share price paid by Fletcher for the state's majority.

stone to the small Golden Bay with Fletcher. Then in 1991 Fletcher will buy out BH/s half share in Golden Bay.

Mr Paul Collins, Bil chief exect the two chains of retail outlets utive, said Winstone was a sound which are now in competition.

The sale by Bil of its Petro-

survive. There will be some job would fit into its own wide-rang-losses through rationalisation of ing interests.

company but BIL had either to strengthen its position in the building supply industry or sell out. If had chosen the latter.

He described Winstone's latest interim profit — "in the single millions of dollars" — as fairly modest. However, Fletcher has paid a good price for the company as BIL has valued Winstone in its accounts at only NZ\$220m.

Mr Hugh Fletcher, chief executive of Fletcher Challenge, said that in the present state of the economy, the building supply industry had to be rationalised to survive. There will be some job

The sale by BIL of its Petrocorp stake created some surprise. There had been suggestions that Fletcher would come to some arrangement to take advantage of BIL's greater experience in the energy business to help develop Petrocorp.

This week Fletcher, a forestry-based group, announced a record NX\$238.6m net profit for the first six months of its current year.

BIL will be flush with cash after the deal goes through and could itself then become a buyer of suitable companies which would fit into its own wide-rang-

### Industrial side boosts Gencor

BY JIM JONES IN JOHANNESBURG

AN INCREASE in industrial

AN INCREASE in industrial earnings more than offset lower mining revenues last year for Gencor, South Africa's second largest mining house.

Attributable profit increased to R553.9m (\$305.6m) from R591.7m although the contribution from gold mining dropped to R136.8m from R156.7m as sharply increased working costs and flat rand-denominated gold prices squeezed mine profits.

The coal operations have been mining ventures are not delayed. Oryx, a new gold mine being established in the Orange Free pushed some of Trans-Natal's export sales contracts into the red in the fourth quarter. Impala, the platinum producer, raised its contribution to profits to R39.8m from R33.4m as renegotiation of old rand-denominated spid prices sales contracts brought higher revenues.

Sappi nearly doubled its contribution of next year.

squeezed mine profits.

Nevertheless, gold and base minerals remained the group's the back of higher international share from 616 cents and the divided has been iffed to 250 cents followed by paper and pulp bak, which has been restructured through its Sappi offshoot. The to hold practically all of the largest profit decline was registered by the coal interests, wided R\$2.6m against R\$4.4m.

Exploration available through the Trans. largely held through the Trans-Natal subsidiary, which contributed R2.3m to consolidated net profit against R28.2m.

Sappi nearly doubled its contri-bution to R110m from R56.9m on Net earning

The coal operations have been mining ventures are not delayed.

Net earnings rose to 669 cents a share from 616 cents and the divi-

Exploration expenditure increased to R72.7m from R48.2m.

Mr Derek Keys, the chairman, says this will help ensure new with that of Sanlam.

### South African insurer ahead

GUARDIAN NATIONAL, the South African short-term insurer which is a subsidiary of the UK's Guardian Royal Exchange, returned to an underwriting profit in 1987 due to an increase in premium rates and a reduction in crime-related claims, writes

Jim Jones in Johannesburg. The property account was affected by floods in Natal but most losses there were absorbed by reinsurers.

(\$136.5m) from R210m and the underwriting profit was R9.5m against a deficit of R1.8m. Pre-tax profits almost doubled to R28.1m from R14.2m. The dividend is 70 cents against 58 cents.

### Seven-fold increase in earnings for Westmex

The company's two majority A\$20m in available tax losses. controlled investments, Charter-interest absorbed A\$3.8m (A\$2.1m hall of the UK and CAL previously) and earnings per Resources in Australia, recorded share rose from Life cents to 8.12 strong profit growth in the cents.

BY OUR SYDNEY STAFF

WESTMEX, the entrepreneurial period. Charterhall produced net investment house chaired by Mr earnings of 22.98m (US\$7.35m), up Russell Goward, a former industrial Equity chief executive, has against A\$1.5m. sailed through the stock market crash with a seven-fold increase in December-half profits.

The fledgling group lifted earnings to A\$8.1m (US\$3.9m) from had spent about A\$36m, equal to ings to A\$8.1m (US\$3.9m) from A\$1.1m as turnover jumped from A\$8.9m to A\$71.6m. The interim dividend is up from 3.3 cents to 5 cents a share.

The company's two majority A\$20m in available tax losses.



### FIGHTER II LIMITED

U.S.\$70,000,000

Secured Floating Rate Notes due 1991

Issue Price 100.10 per cent.

New Japan Securities Europe Limited

IBJ International Limited

Bank of Yokohama (Europe) S.A.

Kansallis Banking Group

Prudential-Bache Capital Funding

Kredietbank S.A. Luxembourgeoise

Mitsui Finance International Limited

Shizuoka Finance (H.K.) Limited

Sumitomo Finance International

Sanwa International Limited

Sumitomo Trust International Limited

American Savings and oan Association

U.S. \$200,000,000 Collateralized Floating Rate Notes Due 1996

Notice is hereby given that the Rate of Interest has been fixed at Poster's freedy given that the interest payable on the relevant interest. Payment Date, September 12, 1988 against Coupon No. 4 in respect of U.S.\$100,000 nominal of the Notes will be U.S.\$3,674-31 and in respect of U.S.\$250,000 nominal of the Notes will be U.S.\$9,185-76.

March II, 1988, London By: Chibank, N.A. (CSSI Dept.), Agent Bank

**CITIBANCO** 

U.S. \$100,000,000 Floating Rate Notes due 1989

Notice is hereby given to the holders of the above Notes that with effect from 12th February, 1988 Bankers Trust Company, P.O. Box 318, Church Street Station, New York, NY 10015, U.S.A. has been appointed to act as Paying Agent in New York In place of European American Bank and Trust Company, 10 Hanover Square, New York, NY 10005, U.S.A. THE SUMITOMO BANK

Fiscal Agent

# AFP shares

ble include Speedo swimwear.

A further 5.lm AFP shares, just over 1 per cent of the company's capital, were traded in Sydney and Melbourne, lifting the price by 4 cents to A\$1.20 a chare. The chares have now

its own capital is locked up with directors of Elders, AFP and its associate Liuter, the company appears vulnerable having been destablised by the October share crash.

Speculation continued yes-terday that Mr Larry Adler, who heads FAI Insurances,

pany. Mr Adler subsequently announced that these talks had terminated, but rumours persist that the FAI group has accumulated a stake of about 9

with a loss of over A\$500m.
The deal, which involved "put" options, has been renegotisted, but AFP is still faced with heavy losses.

### First-half advance by

By Our Sydney Staff

manufacturer of biscuits and a company perennially touted as a takeover target has lifted after tax profits by 13 per cent to A\$22.3m (US\$16.3m) for the December half on transpart in from half on turnover up from

The directors said the per-formance of the biscuit divi-sion was adversely affected by

The profit represents a

### Further beavy trading in

By Bruce Jacques in Sydney

HEAVY turnover continued yesterday in shares of AFP Investments, in deals which could ultimately determine the ownership of Elders IXL, Mr John Elliott's brewing-based

group, and Linter Group, a leading textile producer. AFP, headed by Mr Basil Sellers, has effective control of Gestetner, the British office equipment group. Other well-known brands in its sta-

the price by 4 cents to A\$1.20 a share. The shares have now gained 50 per cent in the past menth and about 15 per cent of AFP's equity has changed hands in the past fortnight.

AFP controls 19 per cent of Elders. Although 55 per cent of its own capital is locked up with directors of Elders. AFP

was involved in the buying. Another school believes that Elders may be preparing to bid

for the company.

Mr Elliott and several fellow directors stand to increase their influence greatly over the company under the complex provisions of the recently announced A\$2.7bn (\$1.9bn) share buyback deal by Broken Hill Proprietary, but a change in the control of AFP could threaten the plan.

Elders amounced last week that it controlled nearly 12 per cent of AFP, but it has not Mr Adler is keenly aware of Mr Elliott's position and recently held talks with Mr Abraham Goldberg, another large AFP shareholder, on a ole joint bid for the com-

per cent in AFP.

Mr Goldberg's interest in any deal would probaly be to buy back some of the textile interests sold to Linter in 1986. AFP was one of the worst hit companies in the October crash because it held obliga-tions to buy Elders shares from Goodman Fielder, the Anstralasian foods group, and SA Brewing of Adelaide at prices which threatened it

# Arnotts

ARNOTTS, Australia's bigges

The company has declared two interim dividends, one of four cents and another of five cents a share, to make sure they qualify for the country's tax-effective imputation sys-

a strike by the Storemen and Packers, one of the country's more militant unions, in Sep-tember last year. "But good profit improvements were recorded by the snack foods joint venture, the 56 per cent owned Morove Bakery group in Papua New Guinea and the Macadamia nut operation acquired in late 1986.

bonus-adjusted increase in earnings per share from 14.1 cents to 16 cents and was struck after tax of A\$22.1m (A\$18.2m previously) interest of A\$2.1m (A\$3.8m) and depre-ciation of A\$10.2m (A\$7.8m). There were no extraordinary items compared with A\$75.9m profits in the 1986 period.

# Strong Growth in Earnings from PLM

PLM, one of the foremost packaging companies in Europe, reports:

■ Consolidated earnings for 1987, before extraordinary items, up 52%

■ All four packaging divisions report improved earnings: PLM Pac - up 40% PLM Glass - up 47%

PLM Metal - up 43% PLM Plastics - up 335%

■ Earnings per sbare up 65% The improvement in earnings is a direct result of improved efficiency in all divisions. Costs have been contained, both in respect of the workforce and in the production process, and are now attained to the market place. PLM is well-equipped to continue its development as one of Europe's leading packaging companies.

PLM and AB Industrivarden Industrivarden's bid for shares and convertible debentures in PLM has resulted in Industrivarden now holding more than 90% of the votes and share capital of PLM. PLM in the European Community

Approximately 52% of PLM's turnover is now within the EC. In Germany, PLM acquired Ball Corporation's 50% share of the previously jointly-owned West Berlin beverage can plant. Positive earnings are expected for 1988 from this plant resulting from increased efficiency and improved

price levels for cans in West Germany.

In the area of plastics, PLM now has widespread coverage of the important West German market following the acquisition of the RAKU plastic packaging company in Southern Germany in 1985 and a plant for blow moulded plastic packaging at Bad Bevensen, in northern West Germany, in

A fourth production line for two-piece aluminium beverage cans has been installed at the PLM Pac plant at Fosie, outside Malmo, Sweden. This is scheduled to be in operation later this month

becoming Europe's leading packaging company.

and will increase capacity by 30%, projecting PLM into the forefront of European beverage can PLM and the Environment Improving the environment is a cornerstone of PLM's corporate philosophy. The Group believes that with the development of new heverage packaging products must come efficient means for their recovery as waste. More than 80% of the aluminium beverage cans sold in Sweden are now

recovered. In 1988, a pilot scheme will be introduced in Sweden for the recovery of plastic soft After a period of very successful rationalisation PLM has progressed further towards its goal of

The Annual General Meeting will be held at 4.00p.m. on March 30th, 1988 at the Malmö Konserthus, Malmö, Sweden. An invitation to attend the meeting is being sent to shareholders registered at the Swedish Securities Register Centre (VPCAB). Shareholders wishing to attend the meeting must notify PLM not later than 12 o'clock, Friday March 25,

ig to artend the meeting mitist notify. PLM not later than 12 0 clock, Friday March 25, tress. PLM AB, P.O. Box 836, S-201-80 Maimō, Sweden, Alternatively, notice may be given by telephone on +46-40-20 90 00.

Additionally, in order to be qualified to participate in the meeting, a sharebolder must be registered at VPC on Murch 18, 1988. Sharebolders whose shares are administered by a bank or a private stockbriber must ensure that their shares are temporarily registered in their own numes at the VPC not later than Murch 18, 1988.

ANNIALL REPORT

The accounts will be available from March 14, at SG Warburg & Co Ltd, Paying Agency, 6th Floor, I Finsbury Avenue, London EC.1M 2PA. England. The English rersion of the Annual Report and Accounts will be pusted to March 2L

The Positive Packaging People



BOSS

ECU 200,000,000 sti-Oction Financing Facili

Crádit du Nord

BANQUE INDOSLEZ

**NORDISKA** INVESTERINGSBANKEN (Nordic Investment Bank)

US \$20,000,000 14% per cent. Bonds due 1990

NOTICE IS HEREBY GIVEN THAT, pursuant to Condition 5(a) of the Bonds, Citibank, N.A. as Fiscal Agent, has selected by lot for redemption on April 15, 1988 US\$1,100,000,00 principal amount of said Bonds at the redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected by lot for redemption are as follows:

redemption are as follows:

114 221 229 235 335 347 352 422 434 438 439

458 459 468 474 487 492 507 509 520 523 533

4820 621 627 635 645 650 654 656 680 688 695

701 703 712 721 731 734 740 763 787 788 796

ment will be made upon surrender of Bonds together with all coupons maturing after the date fixed for redemption, at the offices of the Paying Agents as shown on the Bonds. Coupons maturing on April 15, 1988 should be detached and presented for payment in the usual manner. On and after April 15, 1986 interest on the Bonds will cease to accrue and unmatured coupons will

Outstanding after April 15, 1988 US\$4,400,000.00. March 11, 1988 By Citibank, N.A. (CSSI Dept.) London, Paying Agent

CITIBANCO

. . . . . . . .

**BANQUE PARIBAS** 



U.S. \$200,000,000

**Undated Floating Rate Securities** 

In accordance with the provisions of the Securities, notice is hereby given that for the three months interest period from 11th March, 1988 to 13th June, 1988 the undated Securities will carry an Interest Rate of 71/16% per annum.

Interest due on 13th June, 1988 will amount to U.S. \$18.77 per U.S. \$1,000 undated Security. Morgan Guaranty Trust Company of New York London Agent Bank

**BANQUE PARIBAS** 



U.S. \$400,000,000

**Undated Subordinated** Floating Rate Securities

In accordance with the provisions of the Securities, notice is hereby given that for the interest period 11th March, 1988 to 13th June, 1988 the Securities will carry an Interest Rate of

Interest payable value 13th June, 1988 per U.S.\$1,000 Security will amount to U.S.\$18.28 and per U.S.\$10,000 Security will amount to U.S.\$182.78. Morgan Guaranty Trust Company of New York

London Agent Bank

Stephen Fidler examines the pitfalls of settlement systems

# The search for a global clearer

in the scramble for a stake in "Clearance and settlement prob-the world's rapidly growing secu-lems have moved out of the back rities markets, the bread-and-but-office into the boardroom." ter business of clearing and set tlement – making sure cash and securities are delivered to the had some beneficial spin-offs. For

crisis in October, the focus of the longer term, however, this is management of most financial increasingly being viewed as a institutions around the world breathing space during which the was on generating trading activsecurities markets would be wise ity, not on processing it. to con
It was an oversight that almost lems.

that disastrous consequences. In the words of the Brady Commission, the presidential task force which inquired into the October

Given that the multitude of clearing systems was at the root of many of the problems in the US in October, the much greater

settlement has been in the minds. The UK's 14-day account period is now.

of market regulators for some widely regarded as anachronistic. What was needed, most delewere most forcefully risky, since the gates agreed, were efforts to a common approach in the secutive down were most forcefully longer the settlement period the brought home one day in November 1985, when it took a \$23.65n dent.

Different languages, legal right a software problem in the computer of the Repk of New computer of the Repk of New computers the regiment periods and period the gates agreed, were efforts to a common approach in the secutive develop links between the rittes markets — much more systems in all the international diverse than banking systems — is acknowledged as being even longer the Repk of New complicate the replication of days.

There are common approach in the secutive questions to diverse than banking systems — is acknowledged as being even longer the settlement periods the velop links between the rities markets — much more diverse than banking systems — is acknowledged as being even longer.

There are common approach in the secutive develop links of days.

But it has taken the October markets. But it has taken the October markets.

Said a delegate yesterday.

Competition? And who will act at the hub of the system? London home more widely to those in the which included Mr David Ruder, and difficult and expensive to would no doubt stake a claim to

BY DEBORAH HARGREAVES IN BOCA RATON

right person after a deal has been example, it has cured the settle-struck - was all but overlooked. ment backlogs which built up in Until the world stock market London after Big Bang. For the to come to grips with these prob-

market crash: "The complexity fragmentation of these systems and fragmentation of the sepa-worldwide is thought, as cross-rate clearing mechanisms in border securities transactions stocks, futures and options – in continue to rise, to pose substan-conjunction with massive vol-tial risks to the international

Concern about clearing and | stock market settlement systems.

computer of the Bank of New complicate the problems of doing York.

Futures industry fights off regulation

MR EDWARD Fleischmann, a markets in the wake of October's member of the US Securities and Exchange Commission, spoke out strongly yesterday against the political battle the SEC is fighting against the Commodity Futures Trading Commission for jurisdiction over stock index fittures contracts, calling it a battle that cannot be won.

Speaking at a Futures Industry Association conference, Mr Fleischmann - who stressed that he disagrees on the issue with a bid to enhance the stock of October's stock market crash.

Although most regulators have cash markets is more likely to cash markets is more likely to increase volatility than calm it. "The crisis was indeed exacerbated by the disconnection of the markets on October 19," said Mr area of gridlock," stressed Mr Robert Glauber, a member of the Chicago Board of Trade, by under Mr Nicholas Brady to look into the crash, adding that arbitrage provided a useful function in keeping the markets too expensive and push business lowed the crash, the New York

Association conference, Mr
Fleischmann - who stressed that he disagrees on the issue with the majority of his colleagues - said he does not think the SEC
Regulatory officials speaking at a cross for index arbitrageurs to cantille Exchange, made an access for index arbitrageurs to cantille Exchange and cantille Exchange arbitrageurs to cantille Exchange arbit

would be in a position to regulate the conference were critical of its automated order entry impassioned plea to the US the futures markets well. Mr some of the reforms that have systems and several securities futures industry to retain its efficiency and they expressed concern that stop using the strategy.

The conference were critical of its automated order entry impassioned plea to the US futures industry to retain its efficiency, "if we want to lose the stopping their stopping index arbitrage between In a bid to provide more mar sure doing a good job," he cried.



John Reed: the chairman

conjunction with massive vorume, violent price volatility, and
staggering demands on bank
credit — brought the financial
system to the brink on October
20."

The pitfalls are many. They
York, and Mr John Reed, Citistart within countries: Spain and
corp's chairman, concluded that
Italy are often criticised, for
the ideal solution to all this — a
example, for their inefficient
world clearing or depository corp's chairman, concluded that stood as such.
the ideal solution to all this - a The successe

"If we develop, as we are now tougher. There are competitive questions too a global clearer,"

There are competitive questions too. Is one system enough or are more needed to provide commetition? And the artifact of the commetition of the commetities of the commetities of the commetities of the co

financial markets. In the words of one delegate to a conference Exchange Commission, Mr Geramount of investment and far out that spider's web, or organised by the privately-funded and Corrigan, president of the more standardisation, even in example, respond to that suggestion?

Which inclines for a chairman of the Securities and develop. It involves a large be the centre of that spider's web, or organised by the privately-funded and Corrigan, president of the more standardisation, even in example, respond to that suggestion?

role of paper in the securities markets will eventually have to

be phased out.
Improving links between national or regional clearing and settlement systems heightens the importance of making sure each individual system does not fail. It's like sending all the securities markets up in the same plane together," a delegate to the conference said yesterday. The development of fail-safe systems will take time.

Despite the potential problems, there was no suggestion at the conference that inefficiencies in the clearing and settlement sys-tem should be tolerated to pro-vide informal "circuit-breakers," such as those recommended by the Brady Commission to cushion sharp market movements. If markets are to have circuitbreakers, it is felt, then they should be designed and under-

The successes made in moving world clearing or depository agency – was pie in the sky for national regulation and supervision for commercial banks have been difficult enough. To achieve

### Pirelli raises \$2.3bn to back bid

By Alexander Nicoli, Euromarkets Editor

PIRELLI, THE Italian tyre group, is seeking a \$2.2bu fin-ancing to back its \$1.93bn hos-tile takeover bid for Firestone Tire and Rubber of the US, announced exclier this week.

The company thus becomes the latest in a string of compa-nies, including Eastman Kodak and BAT Industries, to tap the international loan market for large financings to back take-over bids, which have gener-ally been cash effers since the October stock market crash.

Swiss Bank Corporation Investment banking has been mandated to arrange the acquisition facility, which is sequisition tacinity, which is underwritten equally by its parent, Swiss Bank Corpora-tion, and by Crédit Suisse. The financing is larger than the offer price because it also cov-ers the refinancing of some Exercts obligations

Firestone obligations.

Bankers said that only
\$1.3hn of the financing will be
syndicated through a two-year
facility with an annual commitment fee of 18.75 basis points on undrawn amounts and a margin above London interbank offered rates of 37.5 basis points on drawings.
The remainder of the financing is being handled through separate arrangements between the borrower and the two underwriting banks.

If successful in its bid,

Pirelli plans to sell Firestone's Brazilian operations to Michelin of Franca, which will also have an option to buy a 50 per cent share in Firestone's synthetic rubber and diversified products business for \$150m.
Bankers said, however, that
Pirelli clearly needed committed financing to back the full
amount of its bid, regardless of
its subsequent plans.

### Telerate in joint venture with Intex

By Our Euromarkets Editor TELERATE, THE US financial information concern, has teamed up with Intex, the Ber-muda-based futures trading system, to market computer software designed to permit 24-hour automated trading.

The joint venture is a challenge to a planned link announced last year by the Chicago Mercantile Exchange

and Reuters, the UK information group. Their system will allow CMR members to trade the exchange's contracts on automated screens outside the exchange's regular tradi:

Intex is seeking to market its software and systems to other exchanges after its failure to become a significant force as a pioneering automated futures exchange. Its first contract was in gold futures, launched when preclous metals were in the doldrums four years ago. It never became a significant alterna-tive to "open outcry" futures trading in the pits. Under the agreement with

Telerate, Intex will design systems for trading and trade processing and Telerate will

### Saudi money changer gains bank status

By Finn Barre in Riyadh SAUDI ARABIA'S biggest

and a money changer will a week tomorrow become the king-dom's third largest hank, gaining a long-sought status and intensifying competition in the Saudi banking sector. Al-Rajhi Company for Cur-rency Exchange and Commerce will change its name to Al-

Rajhi Banking and Investment Company - which offers the nest acronym Arabic – and plans a share flotation in May The group is estimated to hold at least SR4bn (\$1.1bn) of customer deposits in non-interest-earning accounts. Its net-work of branches totals more than 230, which exceeds the 175 or so branches of National

Commercial Bank, which has the biggest asset base of all Sandi banks.

Al-Rajhi and other money changers have grown rapidly in recent years, attracting deposits in part because of their purer Islamic reputation. Al-Eajhi will be capitalised at some SR750m, ahead of foreign joint venture institutions such as Saudi American Bank, which recently doubled its cap-

ital to SR600m. The flotation will place 43 per cent of Al-Rajhi shares in the hands of the public, with the four brothers who founded the company holding the

# Building society deals shock sterling sector

in the space of a few minutes yesterday sent ripples of shock spread of 75 basis points over the unaffected by the recent heavy which was already struggling. National Provincial said a comparable gilt.

National Provincial said a comparable gilt. Since it was aimed at specific puder the weight of recent purpose. National Provincial said a comparable gilt. which was already struggling under the weight of recent paper.

The two issues meant that sterling bonds totalling £525m had been launched in the space of three days, all with five-year terms of the bond suggested.

National Provincial said a comdemand in southern West Germand. The 9½ per cent three-year deal offered rate narrower than the was priced at 101%. Deutsche said it was bidding for paper at terms of the bond suggested. maturities. But their reception was aggravated by the speed with which the Halifax Building Soci-

ety followed National Provincial into the market. Immediately after the amouncement of the issues, medium-dated Eurosterling bonds shed up to % percentage points in price. They underperformed comparable after which formed comparable gilts which later eased by about ¼ point as the unsettled currency prompted

some profit-taking. Dealers said it was extremely unusual for two Eurosterling bonds for borrowers in the same business sector to emerge almost business sector to emerge amost simultaneously. Lead-managers are required to notify the Bank of England of Eurosterling issues before they are launched, with the aim of maintaining an orderly market.

By the end of the day, National Provincial's £75m bond was quoted at less 2% bid by the lead-manager, Credit Suisse First Boston, but as low as less 2.45 bid elsewhere. Halifax's bond, led by SG Warburg Securities, was bid at less 2%. Both bore 1% per cent

terms of the bond suggested. Said it was bidding for paper at Halifax's £100m 10 per cent less 1½, compared with 1½ per bond was priced at 101½ to give cent fees.

### INTERNATIONAL BONDS

over the gilt.

Elsewhere, Merrill Lynch Capital Markets launched the first straight fixed-rate Eurodollar bond of the week: a \$75m two-year 8 per cent bond for Bergen Bank of Norway, priced at 100%.

Other borrowers have been put off by a weaker tone in US Treasury bonds and the dollar. However, Merrill said weakness at the sury bonds and the dollar. However, Merrill said weakness at the longer-end of the yield curve was seen as slightly tightly priced and bid at less 2. In Switzerland, the primary switches into the two-year area, which helped Bergen Bank's deal.

Though other Norwegian slightly higher in moderate volume. A SF100m 5 per cent eightlessentily. Mondy's has recount year bond for American Medical. recently, Moody's has recon- year bond for American Medical firmed Bergen Bank's Double A-2 closed its second day's trading at credit rating, Merrill pointed out. 97, compared with a 101 issue Dentsche Bank Capital Mar-price.
kets launched an A\$65m bond for Swiss Bank Corporation

THE APPEARANCE of two sector, had looked fair at the out. Deutsche also launched a bonds for UK building societies set. The coupon was 10 per cent C\$50m deal for First Austrian and issue price 101% to give a Bank which, it said, should be

Both domestic and Euro-DM bonds closed about 10 basis points higher, having given up part of their early gains after US Tressuries opened easier in New York. A DM400m 5% per cent 10-year bond for the European Investment Bank was bid at 98%

fees.

Ironically, the pricing of National Provincial's deal, which marked its debut in the fixed-rate

In the pricing of National Provincial's deal, which marked its debut in the fixed-rate

In the pricing of Substantially preplaced. The 13 Finance, a wholly-owned subsiderate priced at 101%.

Australia It was reduced at 101%.

### Australian bank poaches trading teams

NATIONAL AUSTRALIA Bank tralian and New Zealand governates packed three trading teams, ment securities, Eurosecurities in international financial markets, and server and options process.

Australian rival, ANZ Bank, writes Our Euromarkets Editor.

It said the move was part of a big expansion of its activities in international financial markets, also involving appointments in New York. It plans to trade Aus-

### FT INTERNATIONAL BOND SERVICE

OS BOLLAR					
STRANGITS	Toward:	314	Offer	147 MH	k Yield
Abbey National 712 92	200	964	96%	0-0	\$ 8.65
All Hippen Air 93, 97,	100	198 %	994	+0% -1	€ 9.55
All Mipper Air 93, 97 American Brands 83, 92	150-	991	995	-04-0	9:03
A/S Elesport/Inams7 1/2 93	100	95%	96	+04 -02	8.58
A/S Eksport/lears71, 92	160	04.1	04.7	~ ~	
Barc. Bk. Fin. 104 89		1021	1022	ă 7	7.93
Belgium 91 92	400	1031	1021-	8.5	8.48
British Telecom 7% 96	- 700	105.2	AUG 7	0 -01 0 -1	. 0.70
		.717	313	-10-1	4 7.05
British Telecom 84 94	150	TAN .	TING	-0,4 -1,	8.72
Canada 9 96	1000	1017	1014	-04 -1	2 8.73
Canadian Pac 104, 93	<u>100</u>	1105	106	+04 -04	4.56
G.C.C.E 74 91	113	የራካ	97	+014 -01	8.22
C.N.C.A74 91	150	96 z	96%	ā-0:	8.39
Coca-Cola Ent. 84 90	100	101 🗓	1014	0 -0	7.50
Credit Lyonalis 9 91	200	102	1025	+04 -0	
Credit National 71- 97	100			-04-0	
Credit National 7 9 92 Credit National 7 4 91	·· 166			+04 -0	
Desmark 74 92				+04 -0	
Description Of All		12.4	777	70 % ~U	8 5.24
Denmark 8 4 91	300	777	TOWN	-04 -01 0-01	8.22
EE.C.791	700	964	964	0-0	8.11
E.E.C. 74 93	250	95	9512	-04 -07	i B.46
E.E.C.B.1 %	108	95%	964	-04 -14	B.96
E.I.B. 74 93	103	95%	964	-04 -1 -04 -1	8.55
E.I.B. 93, 97	150	1015	102	-0½ -11	907
Finland 7% 97	200	92	924	D-13	9.18
Finland 71a 93	200		95%	Q -02	8.51
Figure 712 93	200	ากลิ	1001	בות בותב	0.49
Ford Motor Cred 114 90		INEL	WEL.	707,773	7.90
Gen Eler Credit 10% 00	200	1026	1021	0 -01 0 -01 0 -01	962
G.M.A.C. 889	250	1027	1024	273	7.66
G.M.A. in COV		2004	WV.	0-0:	4 7.95
6.N.A.C.84.89	200	T00.4	TOT	0 -04	7.68
Hoesch 8½ 97, Italy 9 90 Liberty Mutual 8½ 96	~ 100	120-2	77		4 7.30
Italy 9 90	, 2000	1024	102 -	-0¼ -05	7.90
Liberty Mutual 8½ 96	150	196	%ነት	+04 -14	9.15
L.T.C.6 of Japan 8 91	100	994	99%	104 -01	8.15
L.T.C.B.of Japan 8 97	200	914	911	-04 -14	9.45
Mercus-Benz Cd. 812 95	100	99	991.	an L	ň sal
Metropolis Tokyo 912 93	200	10312	104	, v	8.51
Mitsubistr fin. 7% 93	100	95	9512	0 -05 0 -03 0 -03	8.95
Histaal America 75, 92	100	19632	97	2 -23	. 6.77
Manusco 01. 02	500		7/	2 - 23	8.64
Norway 81, 93 Pepsico inc 71, 93	3UU	Tur.	101 3	70-03	8.43
PERSONAL PROPERTY OF THE PROPE	200	.224 .	777	-04 -11	8.54
Prudential Crp. 81, 94	125	100.5	ա	-0-¥ -15	8.57
OSMS WINES 103 30	140	106	106.	-04 -14	9.17
Saab Scanla 912 91	125	103%	. 104	. Q -01	8.06
Saskatchewan 101, 92	: 100	1074	U7% ·	-04 -04 -04 -03	8.49
State Bk S Aust 94, 93	100	101 1	1024 -	-04 -01	8.76
Swedish Expt. Crd. 7 & 91	100	964	97	0 -01	8.31
Swed Exp Cred 10 92	100	1053-1	M53. •	-01 <u>,</u> -01	8.38
Sumden 7 91	350	965	971	ios oi	7.97
Sweden 7 92	350	95%	964	0-01	8.23
Question GL GL	200	984	.07	-04 -11	٠.2
Constant OL OC		, <del>20</del> 7	M77:	***	8.97
Sweden 81: 96 Sweden 81: 92 Toyota Mir. Cred. 9 90	200	100.4 T	MT 4 -	~~ <u>.</u>	8.23
layora mu. utel. 9 90	500	JUZ7:	763	0 -01 0 -01	7.88
Victorian Rep 11% 92	150	105-2	wy.	0 -04	8.67
World Back 7 92	300	1964	90-1	Ю¥ -05	8.12
Wastel Dark 0.07	276	DOL 1	201	ñ 11	0.00

World Back 7 92	300	1964	964	+04	-0%	8.12
World Back 7 92 World Bank 9 97 Yasuda Trust Fio 8 1 <sub>2</sub> 93	300	995	100%	ā	-14	9.00
Yasada Trest Flo 81, 93	700	QRL	QR.		-62	9 99
Average price change	· · · · ·	by a	مسر			
Antioned by one or manage			_		•	
BEUTSCHE MARK			-		_	
STRAIGHTS	أرجانا	904	ad. "	ᆵ		w
Asian Dev. BK. 694		1025	1037		-	THE
Arts Fir.SV\$ 5% 92	200	وعس	This se	727	0	2.40
MID FILDIG 37 72	TIME.	11025	- 1115	104	-012	5.10
Bank of Tokyo 54, 93	700	1103	10312	-04	-01/2	4.99
Central BK, Turkey 7 92	200	چ1033	104	0	-1	6.02
Degussa lat. 64 97	200	100¼ 100¼	101	+04	-04	6.03
E.I.B 5-1- 98	150	963	971	+014	-815	5.93
E.[.8697.,,	300	1100%	1015	+014	-012	5.85
El.B. 64 %	300	101%	1021	401	-01-	5.79
E.I.B. 64 97	400	1001	3012	-0.2	-52	5.96
E.I.B. 61, 95	200	1064	2071	10.	_01	5.70
Erro.Coal& Steet 5% 97	175	991	347.Z	TV	-0.0	2./0
Consider 61. Of	100	1025	7037	TON	ᄬ	5,93
Eurofina 64, 96 Elet De France 54, 97	100	THE 3	1024	707	. 0	5,78
CIGC DE PROPERTIE SAL 9/	300	985	991	+04	-1	5.89
Forsmark Krtg. 51, 93	200	100	101	107	46.5	4.92
A.D.B. 6 97	. 200	984	991	+04	-04	6,14
BJ 57, 92,	300	†103	10312	0	0	5.06
BJ 53, 92	100	97%	985	+014	-04	6.01
breisod 6 is 97	300	HOOL.	1012	-403-	-61	635
Korea Dev BK 6% 93 Malaysia 6% 94	. 100	1031	1032	ior	-ni	582
Malarda 64 94	150	101	1012	2	-ñ-	1 07
Desters Kouthle 593	700	1001.	101	٠٠.	-0.5	7 64
Portocal 53-92	150	1025	ากรีรั	72.6	74.4	.7.2
Desters, Kouthle, 5 93	150	101	1037	×	×	7.70
Book) Januares & L. 67	200	1707	****		~~"	9.04
Statoli 64: 97	200	1102	105.2	ᄱᄹ	7.	4.00
MAWII D'I 7/ ALIGNATION OF	200	TANK	mra	u	104	9.00
OC LINE MECHEN 74-95	720	TOP 9.	1055	+0 t,	્=1	_6_32
OKYO EIEC. POWER 6 97	300	1994	9912	+04	-04	6.09
World BK, 64, 97	600	1015	1024	+04	-012	5.85
Average price change	. Ол. <b>ф</b>	y +01 <sub>2</sub>	00 TH	ek -Ò	4 -	
		-				
FWRS FRANC STRAIGHTS Mylcan Des Bik. 5% 96			•	بزرن	-	
TRAIGHTS - !		10 mark -	66	ᄑ		V1
African Dev Rik 55- 96	100	1102	1021	ᅏ	7	-5.35
Jeffran 502	150	+100	1001	* 7	-77	4 97
101 7 Egy 2 VEL (11)	122	1200	WV-7	ž		7.77
DE. FIGURE USSF 2 70	700	177	100	ă	777	.5.02
SENS. M.M. S. (15"	250	Tro	97	a	-0 <b>%</b>	277
Bayer, Ymstik Us 44, 98	- 100	1101	1014	Q	+04	4.60
Elec. De. France 5 07	100-	· 1202	1021	-03-	103	4.81
BK Fran Econ. User 5 98 BK Fran Econ. User 5 98 Bayer W/W 22 02 Bayer Vrashs 0s.44 98 Cles. De France 5 07	200 1	1001	101	-ñ£	402	445
F I D 45, 07	200	1001	1003.	<u> ~~</u> T	<b>-111.</b>	7.05
E.i.B 45, 97 Drsa Gutzelt 5 99	100	1001	400 A	7.4	707	7.70
JP4 641436LJ 77	1100	Trong	101	***		4.91

Average price change	On the	A 107	oo we	ek -û	4	•
SWESS FRANC			_ á	بهيت		
STRAIGHTS Africae Der Bk. 5% 96	35560	B16	Differ	44	with ,	1
	160	1102	1007	먯쳧	-0.2	3.
Bk. Fran. Scott. User 5 98	122	1100	TO 2	ž	٠٧	2
Bayer W/W 212 02	700	177	100	ž	777	.2
Bayer, Vright Os.41 98	-100	1704	1011	-	717	-
Elec De France 5 07	100	1107	1021	_A2	TUN	7
E/G./C.F/E/GC 3 V/	200	1202	EVZ N	7.5	164	4
E.I.B. 41, 97 E.I.B 45, 97	200	1100-2	TOT	77.7	TU'X	2.
Ersa Guizelt 5 99	100	†100¼ †100½	THIU 4	7,5	704	2
Ireland 5 02	150	1975	100	10.1	-03-	4.
Nippon Suis Ksha.45, 93	-20	11024	1/6	70.4	-81	4.
Occidenti Petrol S1, 92	100	1103	1017	ᄱ	77.7	4.
Prov. of Manitobe 44, 02	200	†1014	707	 -دائد	707	4
Projectial Fla. 4% 98		t101				4
Qantas Alreans 41 97	116	1984	~.2	401.	TO 1	4
SHV Holdings 41, 94	100	11026	1025	~1	70.4	7
Little Carried And Advantage A		1101				à
lishe 5½ Ph.		1103				ì
Victoria Print Aldrick St.		11077				3
World Bank 5 (2	200	197	100	77		5
أنوي قابلا بالاجتهار	- 44		100 100 100 100 100 100 100 100 100 100		16.5	.34
Water buck and		m) = 02 1	40Z 14			

2	dequate secondary market.							
_	,	Clos	lag pri				LO .	
	YEN STRAIGHTS	Stated	ni.d	Offer	رحدات سداد		لانمالا	
	Belgion 54 92	- 55		1024				
	Belgitton 4% 94			9715				
	-E.I.B 45 94	40	973					
	Elec. De France 51 94		10012				4 98	
	Kassai Electric 4% 94	60	965	97	+0%	-04	5 23	
	Morrezy 41, 72	. 60	98					
	Rep. of Italy 54, 92		1035					
	Sweden 43, 92	50	984					
	World Bank 54 92		1037				4.62	
	Average price change.	0= 6	A +0#	on we	ek -0	12		
				-	iiiie	_		
	OTHER STRAIGHTS	bsped	704	Offer			Visio	
	Appey Nat. BS. 10 4 93 6			1011				
	Alg Bk. Ned. 889 FL	200		103	-01	- ā	0.05	
	Alg. Bk. Ned. 74 89 FL	150	1035	1044	Õ	ŏ	5 20	
	Amro Bank 64 92 FL		1021	103%	ŏ	ŏ	5 46	
	Dane Aug TART AC		1071					

Atthey Nat. BS. 104 93 6	- 50	100%	1014	-OL	-01-	9	ö
Alg Bk. Ned. 889 FL	200	1025	10	-01	ő	Ó	ó
Alo. Bk. Ned. 74 89 FL	150		1044	Ö		5	
Amro Bank 614 92 FL		1021				5	ā
Barc Aust. 1491 AS	20	103%	2041	-0	-01	12	
Barc. Bk. 104 97 E	250	9912	100	-0.	-03	ñã	5
British Akways 10 98 £	100		- 00		-ŏī,		
C.I.B.C. Mort 104 93 CS		11024	1025	402	-3	ĩŏ	ĩ
Dembark 74 92 ECU	100	1004	101 2	-0.		~~	â
06 Fig. Co. 134 90 AS	-50	*167	10			τi	3
DG Fin. Co. 14 90 AS	75	†103 †1024	1031	Ĭ	-0z	15	5
DG Finance 14 % 92 A\$	50	11024	1031	_ni	ni.	13	5
DestSche Bank 9% 97 E	75	1100%	1001		-0.	75	7
Destsche Sk.14 + 92 AS	100	11064	1041	-61	-01-	12	
Dresdeer fin 13% 91 AS		11054					
E.I.B 104 98 C5	130		991,				
E1.88% 93 LF	1000		7777	77.7	~~~		5
Euratom 77e 97 ECU	145	071	9712	-0.0	_^,		2
Euro/jma 13 95 AS	75	102	10512	3	-XX	15	
Eurofima 1712 89 MZS		11034	1001	401	-0.5	15	7
Fed. Bus. Dv. Bk. 94, 92 CS	~~	1100	107.7	70.1	77.7	-77	1
Ford Cr. Can. 104, 93 CS	100	*1072	1014	-0.7	-44	7	7
Gillette Can. 9% 93 C	700	1102% 98	1001	7,7	72	٠,,	7
G.M.A.C. 94 92 CS	75	90)-	200	77.7	79.75	ΥÑ	
G.M A. C. Aus. Fln. 14 90 AS.		-172 -1031	100	7.3	-17	Υ,	7
Halifax BS 10% 97 E	100	t1034	1034	-W-1	70.	**	. :
Heineken NV. 65 91 FL	150	774	100%	~~	****	10	ج.
Hunter Douglas 7 91 FL		1023	10412			- 2	5
Imp Chem Inds 10 03 £	100	705-5	703	- A.	+0.5	.2	
im. Industry Int. 10 93 E.	100	1007	984	~.	71.2	70	÷
Leeds B.S 101-91 E	50		祕	~~2	7012		_
Nat. Australia 14 92 AS		1044	102.7	- N	٠.,٠	7	z
Nat. West. Bk. 134 92 AS	30	1034	1012	7.7	725	70	9
Hatiomelde BS 104 93 E.	75	1004	1007	7.7	7,7	74	-41
Ned Gasunie 64 90 FL	42	1035	100.3	727	727	7	- 2
Ned.Midd.Bk, 712 89 F2	125	1011	1014	70-6	***	?	.₹
New Zealand 7 & 93 ECU	200	1004 1004	1001			2	-
Oesters Kith 135 94 AS.	2	1055	TOTAL	70.72	704	-4	2
Prodential Fin.9% 07 £	150			_n_	Ò	12	-2
Rank Xerox Fa.8 90 FL	100		10974	70.7	0	10	3
Rank Xerox Fa.84, 89 FL		1024	202-5	70.4	ᄴ	. 5	*
S.D.R. 74, 95 ECU		1007			_,0	_ ≥	
World Bank 74 89 FL		1037		10.	-04	. :	9
World Bank 7 12 90 FL	160	1001	1047	ă		5.	냎
World Back 54 92 FL	100	1041 1014	1017	ŭ	70%	₽.	-
1101 IN COMP 3 4 76 F	100	mr4	TITLE	U	- 0'-	5.	ال.

World Bank 74 89 FL	100	1037-1	0415	5 D	5 10
World Bank 7 12 90 Ft		1044 1		0 +01	
World Back 54 92 FL	100	1014 1	Di L	0 04	
World Bank 134 92 AS	100	1034 1		7.7	3.50
444 W PRINT TONE 17 455-1-0-10-	TOO	I Tro-of Tr	-	-U-1	12.09
FLOATING RATE					
	<b>-</b>	-			_
MOTES Alberta 3 93	Short	<b>Bid</b>	OTTO	Catte	
AIDERE 3 45	.0312	100.24		4 13/06	8.17
Alliance & Leic. Had the E	. ne	99.17	99 2	2 21 /04	9 02
Belglum 91 Beltannia 5 93 E	0		100.2	8 22/08	7
Britannia 5 93 £	94	99.72		7 8/04	94
Chase Manhattan Corp 91	0.2	99.23		8 22/08	6 94
Citicorp 98	101	96.05		31/03	6.B3
EEC 3 92 DM	10				
Hallfax BS 94 E	10		400.2	22/08	3.56
hurt. In Industry 94 E.			77./	9/05	9.6
Lands Davis DJC Of C			77.5	9 24/05	9.44
Leets Perm. B/S. 94 £	94	99.88	99.9	3 13/04	9 12
Midland Bank 01 £				211/05	9.42
Milk Mkt. Brd. 5 93 E	6%	99.59	99.64	30/03	9
New Zealand 5 97 8	.97	99.63		18/05	9.44
Hew Zealand 5 01	0	99.12		4/08	6.98
Shearson Lehman Hikk 91	10,2	99.00		9/05	6.94
United Kingdom 5 92.,	- <del>"</del> 5	200.07		7/04	7.12
Woodside Fin. 51, 97	ŏ	99.05	200 1	28/04	
Woolwich 5 95 £	04				7.13
Augusta aria- ab	- 04	99.45	77,5	19/05	912
Average price change	UP GZY	-V.02 0		-0.03	
CONVERTIBLE	_				
CONVERTIBLE BONDS Akon 64 02	UN. 1	Caty _	_	Chg.	
		price Bi		er day	Prestr
AHCINE 64 (UZ	48/327	40 1	100 1	77 . ni	30 D3

Inited Kingdom 5 92		100	07 U	20 14	7/04	7.12
N 00025 IDE F ID. 3-14 47	G	99.	O5 9	39.15 2	8/04	7.13
Woolwich 5 95 £	_ 04	99.	45	99,50 1	9/05	912
Average price change	On day	y -0.00	5 cu A	reek -0	.03	_
MANUELTIBLE HONES Victo 64 02	Cor.	Care			Chg.	
MONDS	dade	Brico	<b>Bid</b>	Offer	alaw	-
Ucus 64 02	18/87	62	100	101	-6	29 81
						25.70
Lottericae Brands 74 02	9/97	55.7	100 %	101	-01	23 17
446 CAN LAN LO. 35 U.C	14/67	66,75	675	68 is	-64	52.57
CAUTED STATE S IN TITE THE CONTRACT OF THE CON	4/67	967.	143 L	2451-	-61.	3 20
Sks 5 92 DM	12/83	4386	155 4	1564	0	-2.81
285. Inc. 5 02	4/8/	200	94.5	954	_0	15 59
Alji Hvy leds 3 00	SARD.	676.	1/4 2	1755	-04	1.04
Tuffess 3 99	2/64	1100	240 -	7411		-0 75
ieruna Bank 21 <sub>9</sub> 02	4/87	908	172 2	17312	-04	162
ACA INC 51 05 U\$	9/8/	.8.72	22.5	964	_0	25.26
Aboltz Camera 24, 940M	7/0/	07 02	80.4	841	-012	31.76
fitsel trest 24 01	400	MUT.	25.4	97 4	0	32.15
tot PLC 54 03 E.	TR100	1402	135.4	157		-0.67
MA PIGE BL 23 03 US.	THOU	4.5	1024			55 24
mron Tatelsi 25 02		804.		110		0.61
Name of the Party	467	1310	2044	205%	+14	-0.05
Battles Houts 4% 03 £	7/83	33	1084	1077	+64	16 00
edland 74, 02 C. ezas Inst. 24, 02 US.	1/6/	D 97	90 4	773	-02	22.70
V.R. Grace 64, 02 US	7167	EC.67	564	B3 %	+04	25.51
	Alos	42 <u>12</u>	004	07%	0	33.84
T No Information on						

# Banco de Bilbao **Consolidated Finance Group**

# Financial Highlights for 1987

(US \$ millions)

Year-end

		ear eria	
	1987	1986 In	crease %
Profit before tax, minority interests & amortisation of goodwill	477.5	359.7	32.7
Net Profit	330.5	248.8	32.8
Earnings per Share (dollars)	6.95	5.25	32.4
Dividend per Share (dollars)	2.20	1.74	26.4
Shareholders' Funds	1,374.2	1,257.4	9.3
Customers' Deposits	22,217.7	19,826.1	12.1
Advances (net)	14,221.7	11,755.8	21.0
Total Assets	29,705.6	26,606.1	11.6

Conversion rate US \$1 - 109 pesetas.

MAJOR BUSINESSES REPORT RECORD RESULTS TO COMPLEMENT SUCCESS OF RETAIL BETTING OPERATIONS

# Hilton acquisition helps Ladbroke to £160m

betting, retail and property undertaking, yesterday reported a 58.1 per cent increase in pre-tax profits to £160.2m in 1987.

The pre-tax advance from

£101.3m was achieved on turnover 21 per cent higher at £2.14hn (£1.77bn), Earnings per share rose by 26.5 per cent to 29.35p (23.21p adjusted for two rights issues in

Mr Cyril Stein, chairman, said the acquisition of Hilton International, the hotel operator bought last year for \$1.07bn (£645m at then prevailing rates), was turn-ing out much better than expec-

It had contributed operating profits of £13.8m in the first 11 weeks it was part of the group, a record performance for Hilton. Excluding the effect of any expansion, Ladbroke now expec-ted Hilton to be contributing This compared with Hilton's higher occupancy and tariff lev- 37 weeks in 1986. Texas added 1m tion in the US, Ladbroke's share \$65.5m profits in 1986, and Ladels. Mr Stein said further sub- sq ft of selling space and expect in United Trade Press and its 20

Ladbroke Group, the hotels, broke's original estimate of a stantial profit growth was ted to raise the total to 8m sq ft

LADBROKE GROUP

	profit by	activity (	Em)
	-	1986	1987
•	Hotels	21.8	47.2
	Property	21.4	22.3
	Racing	49.5	62.0
	Retail	13.8	26.0
	Media	0.8	- 0.9
	Discontinued .		٠.,
	busin <del>ess</del> es	12.9	10.9
	Interest/asset		***
	leasing	(18.7)	(9.1)
	Pre-tax profit	101.3	160.2

sised that the group's major busi-nesses had all reported record results. ted Hilton to be contributing Hilton aside, Ladbroke's other, \$300m annually within five years. hotels increased profits through

making 3p (2.7p) for the year.

industry and the balance from

A short-lived move into the

The group hopes to announce

West Yorkshire said it was sur prised that Community, which already owns 46.9 per cent of its shares, had made its offer with-

MTM, the speciality chemicals mending a final dividend of 2p,

announced a joint venture with French company CdF Chimie, sales of £39.8m (£24m), 70 per increased profits by 22 per cent to cent in the fine chemicals division, 20 per cent from the provision of specialist services to the industry and the belong that

December merger of MTM subsid-contracting side of effect chemi-iary Marchem with CdFC's cals during the first half of the

Loison were included above the line and MTM also benefited from the release of certain deferred tax provisions which reduced the tax charge from 19 per cent to 16 per vices and fine chemicals.

As a result earnings per share the acquisition of a US fine chem-were ahead of expectations at icals manufacturer in the near

11.7p (10.6p). The board is recomfuture and is seeking suitable

Hospital to fight Community bid

The company, which is quoted on the USM, has written to share-

holders advising them to take no Community said it found it difaction on Community's £6.5m ficult to believe anyone could be

cash offer.

Mr Roy Baguley, finance director, said Community's bid was had been discussing their future unwelcome. "It undervalues the relationship for some months.

West Yorkshire Independent company," he said.

Hospital is in talks with a white knight after Community Hospi-

tals, a major shareholder,

launched a contested bid.

Fees for management activities effect chemicals.

Joint venture fees help boost MTM 22%

\$200m annual contribution planned through annual this year through the opening of increases in operating margins.

Although the Hilton acquisition had made botels Ladbroke's ings indicated another excellent biggest division. Mr Stein emphs.

Property operations had contribution ings indicated another excellent existing developments in the UK.

gains in turnover were expected per cent.

An ext this year.

Texas Homecare, the DIY \$56.7m (\$22m) reflected after-tax chain, achieved record sales and gains on the disposals of holidays improved margins in its first full and retail catering operations, year as part of the group, against the Rodeway Inns motel operation in the US, Ladbroke's share in United Track Press and size of the control of the control operation in the US, Ladbroke's share in United Track Press and size of the control operation in the US, Ladbroke's share in United Track Press and size of the control operation in the US.

comment.

opportunities for acquisition and joint ventures in the UK and overseas.

Last year MTM invested about 199m in improving the company's itself which can only be good infrastructure, particularly at its Sandbach and Kirby sites, to increase capacity, efficiency and long-term potential.

The short-term benefits of MTM's joint venture with CdFC have caused a few raised eyebrows – about £2m was added to turnover by the fee payable to MTM for services rendered, and the shares, which closed down 3p this was included as part of the at 123p, on a prospective multiple service division's sales. More

**BOARD MEETINGS** 

er and Dobson

Racing, as Ledbroke styles its retail betting operations; "Opportunities for significant growth have been taken without its contributor in 1996. It added to its market leadership in the UK growth have been taken without and ireland, with 1,706 shops, and also increased its share in Belgium and the Netherlands.

Live racing telecasts through Satellite Information Services, in which Ladbroke has a minority stake, would be available in all of 1888. The innovation was expending the market, and significant gains in turnover were expected existing developments in the UK, elsewhere in Europe and the US. "Opportunities for significant growth have been taken without growth have been below!

A final dividend of 7.84p (7p)

Mr Stein said.

A final dividend of 7.84p (7p)

For shareholders who took up their entitlements in both rights issues, the total payout represent growth have been taken without

and manufacturing facility bought from CdFC. Recent reorganisation makes it difficult to assess the group, which is competing against the chemicals glants, but it has no wish to



Cyril Stein: Hilton acquisition was much better than expected per cent stake in Central Inde-Ladbroke shares were unchanged at 386p. See Lex

### **UK Paper offer** subscribed over 11 times

By Maggie Urry

The offer for sale of 29.5m share in UK Paper closed yesterday more than 11 times subscribed. Schroders, merchant bank to the issue, will announce the basis of

allocation today.

The company makes high quality printing papers and largely consists of the paper interests of Bowater Industries, which were bought out by the management in Sentence 1985. in September 1986.

Dealings in the shares, offered at 135p, are due to start on March 17 and a premium to the issue price is expected, barring a fall in the stock market over the Budget

### Law Debenture

The Law Debenture Corpora tion, investment trust, announced net asset value of 296p at end-December 1987 com-pared with 306.4p a year earlier. A final dividend of 5.25p (4.75p) is proposed, making a total for the year of 8.5p (7.5p). Earnings worked through at 10.71p (10.04p)

per share. Gross revenue for the year was 25.88m (£4.85m) and the pre-tax figure came out at £3.6m (£3.25m).

### Phicom up to £1.8m and seeks further **purchases**

Phicom, life sciences group, more than quadrupled pre-tax profits to £1.8m (£403,000) on urnover of £18.87m (£28.04m) in the year to end-December

The directors recommended a final dividend of 0.5p, mak-ing a total of 0.8p for the year

(0.5p).
The directors said they proposed changing the name of the company to Life Sciences International and that they would put a resolution concerning the change of name to sharebolders at the annual

meeting in May. Mr Christopher Bland, chair-man, said 1987 had been a momentous year for the group with a major change in share-holding following the purchase and placing of Magnum Corpo-ration's controlling stake.

Forma Scientific Inc was acquired from Mallinckrodt in November and the issued share capital was increased by 88 per cent. Market capitalisation is now around £60m, against £21m at the time of the placing

The results included a six week contribution from Forma, which totalled around £0.5m, Mr Bland added.

Mr Bland said the proposed name change reflected the group's current strategic policy to develop as a life science group - activities which ranged from wheelchairs to

life support systems.

However, he said the company would continue to concentrate on the production and distribution of specialised sci-entific and medical instruments and would be looking to make another acquisition in

the sector.

Phicom had net cash total-ling £9.2m at the year-end, he

### **British Land**

British Land has acquired the shares it does not already own in Rosehaugh Greycoat Estates, the beneficial owner of 1 Finsbury Avenue, the 250,000 sq ft office development in the City of London, for \$18.70. £18.7m.

# Coats Viyella lifts profits 17% despite a difficult year

Coats Viyella, the biggest textile group in Europe, yesterday bowever, reflecting the benefits announced a 17 per cent increase in pre-tax profits for 1987 to £213m on turnover which rose by 2.5 per cent to £1.8m. It also signalled its intention to embark upon acquisitions.

Mr David Alliance. chief execu-

nalled its intention to embark upon acquisitions.

Mr David Alliance, chief executive, described 1987 as a "difficult but constructive year" for the group. Difficult trading conditions had been encountered in handknitting and acrylic spinning activities. Moreover large parts of the group were in the throes of restructuring and the decline of the US dollar had taken its toll on turnover.

Nevertheless Mr Alliance said the group had benefited from pro-

Nevertheless Mr Alliance said increased profits. Coats added the group had benefited from productivity improvements and from past restructuring programmes. Household textiles and carpets, "We ended the year in stronger saw their combined profits rise to \$25m (£19.7m).

Despite from yarns and fabrics.

he added.

The task of integrating Coats
Patons with Vantona Viyella –
following their merger two years

Profits from yarns and fabrics rose to £28.5m (£21m). In recent months Coats' acrylic spinning interests in the UK have suffered ago - had largely been com-from a slump in the market. The pleted and the group was now precision engineering division ready to expand by acquisition saw profits increase to £20.9m within textiles in Europe and the US.

The decline of the US dollar -

Operating profits rose to the group takes a fifth of its sales \$213.5m (£187.8m) and the group from North and South America received a contribution of £6.6m - depressed the growth of turn-(£7.1m) from related companies. over. Without adverse exchange Coats paid £7.3m (£13.2m) in rates, Coats' turnover would interest and £42.2m (£48.8m) in home-companies.

(7.25p) for the full year.

The group's handknitting companies suffered from a worldwide

Mr. Alliance described the pateurs as for this year as

interest and £48.2m (£48.8m) in have grown by 7 per cent rather interest and rangin (rangin) in have grown by part taxation. Earnings per share rose than 2.5 per cent. But profits to 29p (23.6p). The board proposes a final dividend of 6p making 8.7p rency changes, because of the

slump in demand for knitting tern of trading so far this year as yarn last year and their contribution to profits fell by £10m. The

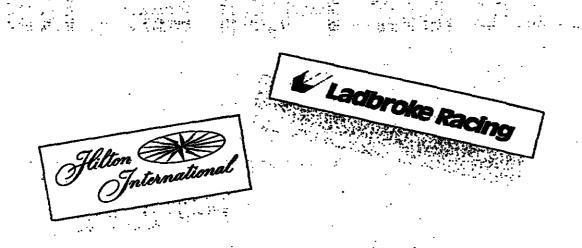
### Consortium gains 48% of OIS BY STEVEN BUTLER

The consortium led by Mr Paul by two dissident OIS directors, Bristol yesterday said it had acquired control of more than 42.2 per cent purchased in the market since the offer was 48.16 per cent of Oiffield Inspection Services, testing and inspection company, as the first closing date of its \$4.5m bid for the company.

The consortium is siming to ders had already declared the

The consortium is aiming to ders had already declared the acquire at least 51 per cent of the commany.

The stake consists of 23.3 per the board. OIS has urged shareholders to Bristol, 17.7 per cent committed reject the bid.





# Multiple interests. Singularly pleasing results.

Grov	wth Record		-
Group turnover Profit before taxation Profit attributable to shareholders Shareholders' funds	1987	1986	1985
	£m	£m	£m
	2,135.4	1,765.6	1,342.6
	160.2	101.3	75.1
	140.3*	84.4*	43.2
	1,238.5	698.8	545.6
Dividends per share Earnings per shareafter taxation	13.89p	11.59p	10.43p
	29.35p	23.21p	19.67p

**Ladbroke Group PLC** 

# John Lewis Partnership plc department stores and Waitrose supermarkets

Preliminary results for the year to 30 January 1988

### Profits rise 15% to £121m £46m bonus for Partners

1987/88 52 <b>weeks</b> £m	1986/87 53 weeks £m	% change
1,724.8	1,568.4	+10
140.9	122.4	+15
5.0	3.7	+35
14.6	13.2	+11
121.3	105.5	+15
27.5	23.9	+15
0.2	0.2	_
s 93.6	81.4	+15
46.2	42.2	+9
47.4	39.2	+21
	1,724.8 140.9 5.0 14.6 121.3 27.5 0.2 8 93.6 46.2	52 weeks £m £m  1,724.8 1,568.4  140.9 122.4 5.0 3.7 14.6 13.2 121.3 105.5  27.5 23.9 0.2 0.2  s 93.6 81.4 46.2 42.2

Profit Sharing All the equity capital of John Lewis Partnership plc is held in trust for the benefit of the workers in the business. The profits remaining after taxation, preference dividends, pensions and allocations to reserves are distributed yearly among the workers as Partnership Bonus in proportion to their pay. This year the rate of distribution will be 24% of pay (1986/7 24%).

For further details please telephone 01-637 3434 ext 6221 or write to Chief Information Officer, 4 Old Cavendish Street, London W1A 1EX. NOTICE OF AMENDED AND EXTENDED OFFER

### AMERICAN MEDICAL INTERNATIONAL N.V.

To Purchase for Cash its

Zero Coupon Guaranteed Bonds Due August 12, 2002 at U.S. \$193.74 net per U.S. \$1,000 bond.

The purchase price stated above is contralent to the accreted value of the Bonds on April 15, 1988, plus a premium of 15-2°, on the Bonds. If Bonds are accepted for purchase, payment will be made on or about April 15, 1988.

e made on or about April 15, 1988. Bonds will be accepted for purchase only if they have been voted in favor of certain Indenture Bonds will be accepted for purchase only if they have been voted in favor of certain indenture amendments to be considered at an adjourned meeting of the holders of the Bonds noticed for March 30, 1988 or any further adjournments thereof (the "Meeting"). The Amended Office is conditioned on approval of the Indenture amendments for the Bonds. All proxies submitted by holders of Bonds on a form provided by the Company for voting at the February 11, 1988 meeting of holders of the Bonds and the adjourned meeting of such holders held February 23, 1988 will be automatically voted at the Meeting, unless properly revoked.

If the Indenture is amended as proposed, all Bonds which have been duly tendered and voted in favor of the amendments will be accepted for purchase.

THE AMENDED OFFER WILL EXPIRE AT THE CLOSE OF BUSINESS ON APRIL 15, 1988, UNLESS FURTHER EXTENDED. TENDERS WILL BE IRREVOCABLE EXCEPT THAT AFTER MARCH 30, 1988, BONDS TENDERED AND NOT ACCEPTED FOR PURCHASE AND PAYMENT PRIOR TO THAT DATE MAY BE WITHDRAWN.

Bonds tendered pursuant to the Offer to Purchase dated January 21, 1988 and voted in favor of the proposed amendments at the Meeting will be deemed tendered pursuant to the Amended Offer, unless properly withdrawn. Bonds may be tendered without physical delivery if such delivery is guaranteed by a bank (including the Depositary), banker, trust company, or member of the New York, London or other recognized stock exchange, on the Guarantee of Delivery form included in the Letter of Transmittal, subject to the conditions stated therein.

The Company will pay a selicitation fee of U.S. \$2.50 per U.S. \$1,000 Bond for each Bond purchased pursuant to the Amended Offer which is tendered by or forwarded through a bank, banker, trust company, or member of the New York, London or other recognized stock exchange, including Bonds tendered through the facilities of CEDEL or Euro-clean.

Copies of the Amended and Extended Offer to Purchase, the Deposit Certificate and the Letter of Transmittal may be obtained from any of the following:

DEPOSITARY OFFICES

DEPOSITARY OFFICES

Morgan Guaranty Trust Company of New York 30 West Broadway New York, New York U.S.A. 10015

Morgan Guaranty Trust Company of New York Morgan House, I Angel Court London EC2R 7AE England

Avenue des Arts 35 1040 Brussels, Belgiun

Morgan Guaranty Trust Company of New York 14. Place Vendome 75001 Paris, France Morgan Bank Nederland N.V. dschadestraat 12 1054 ET Amsterdar The Netherlands

> Swiss Bank Corporation Gartenatrasse 9 CH-4002 Basle

Banque Internationale a Luxembourg S.A. 2. Boulevard Royal

Dated: March 11, 1988

AMERICAN MEDICAL INTERNATIONAL N.V.

### NOTICE OF ADJOURNED MEETING

### AMERICAN MEDICAL INTERNATIONAL N.V.

Zero Coupon Guaranteed Bonds Due August 12, 2002

NOTICE IS HEREBY GIVEN that an adjourned meeting (the "Adjourned Meeting") of the holders of the Zero Coupon Guaranteed Bonds Due August 12, 2002 (the Bonds") of American Medical International N.V. (the "Issuer") will be held at Morgan Guaranty Trust Company of New York, The Conference Centre, 3rd floor, I Angel Court, London ECGATAE, London, England on Wednesday, March 30, 1988 at the hour of 2:00 o'clock in the afternoon, London time.

At the Adjourned Meeting, Bondholders will be asked to approve amendments (the "Amendments") to the Indenture, dated as of Angust 12, 1982 (the "Indenture"), among the Issuer. American Medical International, Inc., as guarantor (the "Guarantor"), and Morgan Guaranty Trust Company of New York, as Trustee (the "Trustee"), pursuant to which the Bonds were issued. Such Amendments will eliminate Sections 4.06 through 4.11 of the Indenture, which contain the financial coverants of the Issuer and the Guarantor. The Issuer has made an offer to purchase Bonds conditioned, among other matters, on approval by the holders of the Bonds and the holders of the Issuer and the respective indentures for both the Bonds and the holders of the Amendments were approved with respect to the 1997 Bonds at a meeting of the holders thereof on February 11, 1988.

In accordance with the provisions of the Indenture, the resolutions to be submitted to the Adjourned Meeting, in order to be effective with respect to the Bonds, must be approved or decided by persons entitled to vote the lesser of (1) a majority in principal amount of the Bonds at the time outstanding or (ii) 75% in principal amount of the Bonds represented and voting at the Adjourned Meeting, provided that a quorum is present.

In order to be entitled to vote at the Adjourned Meeting a person must either be a helder of one or more Bonds or a person appointed by an instrument in writing as proxy by the holder of one or more Bonds or a person appointed by an instrument in writing as proxy by the holder of one or more Bonds or a person appointed by

of one of more Bonds or a person appointed by an instrument in writing as proxy by the holder of one or more Bonds deposited at any of the offices referred to helow ("Depositizey Offices") no later than one business day prior to the Adjourned Meeting or deposited with the Chairman of the Adjourned Meeting at any time prior to the Adjourned Meeting. All proxies submitted to the Depositary on the form provided by the Issuer for voting at the February 11, 1988 meeting of holders of the Bonds and the adjourned meeting of such holders held February 23, 1988 will be automatically voted at the Adjourned Meeting, unless properly revoked. The holding of Bonds shall be proved by production at the Adjourned Meeting of Bonds or of a dated deposit certificate executed by a bank (including the Trustee), banker, trust company or member of the New York. London or other recognized stock exchange certifying that on such date Bonds bearing specified identification numbers were deposited with or exhibited to such bank, banker, trust company or stock exchange member. The signature on any proxy deposited as aforesaid must be witnessed or guaranteed by a bank (including the Trustee), banker, trust company or member of the New York. London or other recognized stock exchange.

witnessed or guaranteed by a nank (including the trustee), nanker, trust company or memors of the New York. London or other recognized stock exchange.

Copies of the proposed first supplemental Indenture setting forth the Amendments are available for inspection during normal business hours at, or can be obtained on application to, any of the Depositary Offices. Forms of proxies and deposit certificates appropriate for use at the Adjourned Meeting or any further adjournments thereof together with instructions for voting by Bondholders at the Adjourned Meeting can also be obtained at any of the Depositary Offices.

### DEPOSITARY OFFICES

Morgan Guaranty Trust Company of New York 30 West Broadway New York, New York U.S.A. 10015

Morgan Guaranty Trust Company of New York Morgan House, 1 Angel Court London EC2R 7AE England

Morgan Guaranty Trust Company of New York Avenue des Arts 35 1040 Brussels, Belgium

Morgan Guaranty Trust Company of New York 14. Place Vendome 75001 Paris. France Morgan Bank Nederland N.V. Tenselschadeatraat 12 1054 ET Amaterdam, The Netherlands

> Swiss Bank Corporati Gartenstrasse 9 CH-4002 Basle

Banque Internationale a Luxemi 2. Boulevard Royal Luxembourg, Luxembou

MORGAN GUARANTY TRUST COMPANY

# 

# Cattle's (Holdings) p.l.c.

STRONG GROWTH FOR THIRD YEAR RUNNING

PRE-TAX PROFITS UP 35% TO £4.86 MILLION THIRD YEAR OF PRE-TAX GROWTH IN EXCESS OF 33% EARNINGS PER SHARE UP 36% TO 5.77 p TOTAL DIVIDENDS UP 25% TO 2.56 PER SHARE EARLY 1988 TRADING INDICATES ANOTHER SUCCESSFUL YEAR

For a copy of the 1987 Report & Accounts contact: my Secretary, Cattle's (Holdings) p.Le., Haltemprice Court, 39 Springfield Way, Anlaby, Hull HU10 SRR

# Kleen-E-Ze's new broom through NSP acquisition

Kleen-E-Ze Holdings, the brushes and cleaning materials company built on door-to-door selling, is to buy NSP Group, at British specialist in altogether more modern and innovative

direct marketing techniques.

The acquisition of NSP for an initial £11m, with additional prof- 🧀 it-linked payment of up to £28m, will give Kleen-E-Ze a leading role in direct-response cata-logues, a growing field pioneered in the UK by NSP's founder, Mr

Nigel Swahey.

NSP's catalogues, including Discoveries, Accent and Quorum, are distributed with bank and credif-card statements, or in the case of Innovations, inserted in Sunday newspapers. In addition to publishing, merchandising and to publishing, merchandising and consultancy, NSP plans to move into direct-response sales on television and to open its first retail 725p after the deal was



Nigel Swabey: direct-response catologue pioneer in the UK.

outlet.

The acquisition is Kleen-E-Ze's first since Mr Ned Cook, a US immediate facelift to the prodentrepreneur, bought majority control last summer. It will be E-Ze's existing "Shopping at factory" outcome to its current ucts and presentation of Kleen-E-Ze predicted a "satisfactory" outcome to its current ucts and presentation of Kleen-E-Ze predicted a "satisfactory" outcome to its current ucts and presentation of Kleen-E-Ze predicted a "satisfactory" outcome to its current ucts and presentation of Kleen-E-Ze predicted a "satisfactory" outcome to its current lamount period and forecast dividends of 3p for the 17 months to Angust 31, its new year-end, against a total of 6p in the year to last March 31.

The lem-E-Ze is also to raise 25m through a rights issue at 550p. Although Mr Swabey and Mr through a rights issue at 550p. Although Mr Swabey and Mr through a rights issue at 550p. The proceeds will eliminate clive Beharrell will join the 23.5m in borrowings and be used Kleen-E-Ze board, NSP will be fareful to shareholders on a 54.5-for-100 kasis by Hambros Bank. The parfor capital investment. Kleen-E-Ze board, NSP will be aller rights issue is on a 37-for-100 kasis.

ucts such as trigger pumps as well as brushes and household and industrial cleaning materi-

published the first direct-re-sponse mail order catalogue for the latter in 1981.

NSP reported pre-tax profits of -£1.2m on turnover of £15m in the

year to August 31. Kleen-E-Ze achieved £920,000 pre-tax on sales of £17.4m in the year to March 31

# Antofagasta improves to £12m

£9.08m to £12.2m in 1987.

Antologasta's main activity is and contributed £3.23m. Also the operation of railways in Chile included for the first time was a but the company also has inter £589,000 contribution from Forests in copper and gold mining estal Colcura, and forestry. The compan

Antolagasta Holdings, UK Turnover and profits for the listed company with water, distri-railway were affected by a reduction and railway interests in tion in imported wheat ship-chile, lifted pre-tax profits from ments to and exported minerals its associated companies, Antofafrom Bolivia, mainly due to that F9.08m to £12.2m in 1987.

The directors propose a final dividend of 8p per share, making a total for the year of 10p (8.5p).

Earnings per share were 34.3p Michilla, were consolidated for the first time in the 1987 accounts and according to 23m. Also

Commenting on the fartunes of its associated companies, Antofagasta said Madeco, copper wire and tube manufacturer and VTR. telecommunications group, had achieved excellent results.

A new gold mine is scheduled to commence commercial produc-

tion in May while a recently announced joint venture with Cluff Mineral Exploration will stal Colcura, start heap leach production of gold in Spain late this year.

BRITISH CREDIT TRUST,

## **Enlarged Era jumps** sharply to £5.38m

former shell company, "The Times" Veneer, yesterday reported a near doubling of 1987 pre-tax profits and a 71 per cent increase in earnings.

Taxable profits, up £2.49m to two of the leading names of merchandise direct-marketing, Raleidoscope and Scotcade. He
founded the former on behalf of
W H Smith and Doubleday and

Kaleidoscope and Scotcade are both now owned by Next, the retail and catalogue group. Next and NSF together account for about 85 per cent of the direct-response catalogue market.

One of the trio, Mr Pat Hambrough acquisition in other spe- Autumn.

Era Group, the furniture and cialist multiple retailing fields -bobbies retailer hatched from the particularly clothing, adornment and leisure

lin

Kohnstam, bought for £17m in June last year, contributed £1.56m at the pre-tax level, an increase of some \$400,000. Lexterten, purchased a year ago for film, made £3.4m against £1.8m following the opening of ten new stores last year.

Turnover was £50.07m (£47.48m) and operating profits £5.5m (£3.3m). Fully diluted earnings rose from 3.78p to 6.45p. A final dividend of 1.5p per share makes 2.5p for the year, five times the 1966 payout.

There was an extraordinary debit of £162,000 to cover compensation paid to a former executive director and to Mr David Landau, mond-Turner, said yesterday that chairman until the end of last the time was approaching when year and architect of Era's trans-they would seek to add some formation from May to the extra legs to the business arrival of the CES trio in the

### Cattle's ahead by 35%

Cattle's (Holdings), Hull-based (2p). Earnings improved from financial services and retailing 4.21p to 5.71p. group, lifted pre-tax profits by 35

The group's travel agency busiper cent, from £3.51m to £4.86m.

Turnover rose by 18 per cent to £114.29m (£97.02m). Mr Roy Waudby, chairman, said the first

The group's travel agency business, acquired in 1986, had seen modest expansion but was not expected to make a contribution in the short-term.

two months of the current year had shown strong trading with healthy increases in turnover in all areas.

Rosebys, the retail chain, had expanded rapidly, but continued to require reorganisation to absorb acquisitions. A substan-A final dividend of 1.5p (1.25p tial improvement by Rosebys was adjusted) makes a total of 2.5p expected in the current year.

### Mucklow 17% growth midway

A 17 per cent rise in first half profits is reported by the A & J Mucklow Group, which claims to be the largest owner of factory sites in the Midlands.

The directors said that this gave them confidence that their furnesest of bigher profits for the furnesest of bigher profits for the factory.

forecast of higher profits for the year would be achieved. In

Trading profit was to £242,000 (£219,000).

year would be achieved. In Pre-tax profit was £3.25m (£2.78m) and earnings worked In the six months to December through at 4.74p (3.7p). The 31 1987 net rental income rose interim dividend is 2.82p (2.56p).

### **APPOINTMENTS**

### Directors at Lloyds Bank

Lloyds Merchant Bank since March 1987, also becomes a director of the bank from April 1. He GRANT THORNTON's London retired from the diplomatic service in January 1987.

Mr Jason Cross, partner in Mr Ron Williams, deputy chairman of the industrial operating office, has been appointed head of corporate finance. Lloyds Merchant Bank since

Mr Philip Whitehead has been Mr Derek Brightwell, who is appointed marketing director of retiring as chief surveyor of Lon-NORMOND INSTRUMENTS, part don Life, has joined the board of the Micrelec Group.

Mr Derek Brightwell, who is chairman of the operating group when Mr W.F. Sykes retires on NAPIER SECURITIES as chair-

appointed Mr Colin Carter as STEEL BURRILL JONES GROUP finance and leasing arm of the associate director-estates.

\*\*Associate director-estates.\*\* has appointed Mr J.D. Williams, Bank of Ireland Group, has SCHRODER VENTURES, venture

the leisure and gaming division, banking in Italy. He was manag-and Mr Ray Jordan, chief execu-ing director of First Chicago, tive of the security division, have London merchant bank of the been appointed directors of First National Bank of Chicago, LEADING LEISURE. Mr Thomas

Mr Vincent Hillier has been appointed general manager of Mr Graham Fox has been HOTFOIL.

Mr Robert Newman has been appointed to the board of ASH-LEY INDUSTRIAL TRUST.

Mr W.R.L. Leigh has been appointed company secretary of the SAVOY HOTEL succeeding Mr K.P.J. Strange who is retiring

Mr Tom Macpherson joins TYNE AND WEAR DEVELOPMENT CORPORATION as director of operations. He was with the Scot-tish Development Agency.

THE ENGINEERING COUNCIL has appointed Mr Denis Filer, director of engineering at Imperial Chemical Industries, as director general from August 1 when Dr Kenneth Miller retires. Mr Andrew Wallis has joined

LONDIS (HOLDINGS) as finan-cial director. He was financial controller for Prime Computers. GRESHAM-CAP has appointed

Mr Ism Prosser, chairman and SNAMPROGETTI, UK subsidiary chief executive of Bass, has been of the Italian company, has appointed a director of LLOYDS appointed Lord Robens as president Bank from April 1. Sir William dent. Mr Peter Hall replaces Lord and financial controller. The Harding, who has been an Robens as chairman, and Mr Bank is a wholly-owned subsidiary to the board on international affairs and a director of managing director.

Lloyds Merchant Bank since

appointed Mr Colin Carter as associate director-estates.

\*\*

G.T.\*\* MANAGEMENT has appointed Mr BJ. Bell appointed Mr Roger Yates to the new post of investment director for both unit trusts and mainstream offshore funds. He was senior manager of UK equities. He is joining the board of G.T.

Unit Managers, GT's unit trust

Mr Adriano Dispenza has joined division.

\*\*

\*\*

STEEL BURRILL JONES GROUP has appointed Mr J.D. Williams, Mr A.A.J.L. Troughton, Mr J.C.W. Wright, and Mr BJ. Bell as directors subject to approval of a change in the company's articles. They are directors of the group's Lloyd's broking subsidiary.

\*\*

He is joining the board of G.T.

Unit Managers, GT's unit trust

MRRRILL LYNCH EUROPE as an executive director with

\* an executive director with Mr David Thomas, chairman of responsibility for investment

joined from Ladbroke, and Mr Mr Garry Fox has been Jordan from the Allied Vintners appointed managing director of division of Allied-Lyons. SOVEREIGN CHICKEN. He was appointed managing director of SOVEREIGN CHICKEN. He was

appointed head of JARDINE INSURANCE BROKERS profe-sional indemnity department. He joins from Stewart Wrightson Professional Indemnity. Mr Anthony Houre also joins the department from Stewart Wright

MEYER INTERNATIONAL has appointed Sir Peter Thompson as a non-executive director. He is chairman of National Freight

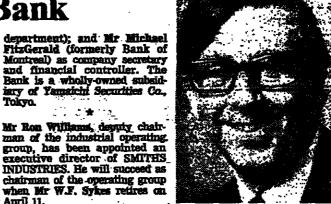
YAMAICHI BANK (U.K.) has

appointed Mr Takashi Kato
(Yamaichi Securities) as chairman; Mr Peter Bulfield (formerly
Schroders) as managing director
and chief executive; Mr Yasake Matsazaki (Yamaichi Securities) as managing director, Mr Kolchi Nakata (Yamaichi Securities) as deputy managing director and deputy managing director and general manager (banking department); Mr Mel Goodchild (formerly Riggs National Bank) as general manager (treasury department); Mr Naoki Seki (formerly Fuji Bank) as general manager (credit department); Mr Hiroshi Yamada (formerly Bank of Tokwa) sa general manager Mr G.C. Warner as managing ager (credit department); Mr director. He was director of submarine systems, CAP Scientific, and marketing director, Gres- (operations and administration

### **Board posts at Arlington**

ARLINGTON SECURITES has ing director; Arlington Retail appointed Mr Peter Cotton to the Developments, where Mr Rayboard as marketing director and mond Mould, Arington's managing director. Arlington has also cream and Mr Edward Dudley managing director.

ated three main subsidiaries: ing director; and Arlington Arlington Business Parks, where Estates, responsible for all leisure Mr Patrick Vaughan, a main and mixed developments, where board director, will be chairman Mr Gavinn MacEchern, a main and Mr Patrick Deigman manag-board director, will be chairman



appointed the following associate capital and management buy-out directors: Mr John Willis, Mr arm of the Schroder Group, has Philip Arrowsmith, Mr Kevin appointed Dr Barry Minton as a Harris and Mr Berek Harmah partner. He was managing directors; Mr tor of Case Communications PROTECTION AND INVEST-Mansel Priestley becomes con- (UK). Mr Graeme Lythe joins as MENT PLANNING has appointed

### Sturge group finance man

Mr Peter A. Davis will be appointed to the board of STURGE HOLDINGS as group finance director from May 3, when Mr Pat Houghton retires. Mr Davis was executive deputy chairman of Harris Queensway. He is a non-executive director of Abbey National Building Society, and of Avis Europe.

GRANVILLE & CO., has appointed Mr Colin Richardson to the board of Granville Davies Coleman, a Stock Exchange Mr Peter Davis, group finance member firm subsidiary. He will Granville in May. Mr Richard Versen has been appointed an assistant director. Both join from

Mansel Priestley becomes con(UK). Mr Graeme Lythe joins as
MENT PLANNING has appointed
sumer development director; and
partnership secretary from a simMr Howard Wilson becomes
idar post in the insolvency departindustrial development director.

Mr Howard Wilson becomes
idar post in the insolvency departindustrial development director.

Mr Howard Wilson becomes
idar post in the insolvency departindustrial development director.

### **RESULTS FOR YEAR ENDED 31.12.87**

	1987	Increase on 1986
Profit before tax	£14.66m	+ 108%
Net assets	£87.50m	+ 241%
Earnings per share	14.24p	+ 70%
Net assets per share	110.6р	+ 127%
Total dividend (1.20 interim peid)	4.0p	+ 82%

Arlington is the leading developer of high quality business

- A major programme of retail and mixed development is under way countrywide.

continued growth."

"We now have a broad base of development which includes not only Arlington Parks but also major retail and large scale mixed developments. This diversified base is a secure foundation for

> Lord Keith of Castleacre Chairman

### Arlington Securities Plc

1 Brewer's Green, Buckingham Gate London SW1H 0RH. Tel: 01-629 1822

الانتاج إ الم

The Date of the State Compa

Mary Per F

The state of the s

Trading profits in the defence

and instrumentation division

So diverse are CEI's subsid-

aries that the company has been

rose to £33m (£32.8m).

comment

# Collins beat forecasts with £24m

BY DOMINIQUE JACKSON

after 13 years' service.

Mr Ian Chapman, chairman cost-cutti
and chief executive, said Mr
Craig's departure was a result of
"certain differences of approach man said. which have emerged over the last few months "

The directors recommended a final dividend for both the ordinary and A non-voting shares of a special stem. The sale, plus a nary and A non-voting shares of rights issue in October, enabled the company to eliminate bor-

Arlington Securities yesterday

delivered its promised doubled-annual profits to the Stock Exchange but received little

response as the share price hov-

ered around the overnight level of 207p.

The property group, which is one of the leaders in business park development but also has an

expanding retail portfolio, made pre-tax profits for the year to last

December of £14.65m, against

Earnings per share, after a £52m rights issue to purchase the

Aztec West business park near Bristol and to restructure the bal-

ance sheet, were 14.34p, up 70 per

£7.05m in 1986.

successful vear."

cost-cutting moves which resulted in a dramatic improve-ment in performance, Mr Chap-

A further £1.1m from the disposal of the UK technical list was taken above the line as an excepthe year (9.25p). Earnings per A rowings, ending the year with a

Arlington doubles to £14.7m

comment\_

Few bookworms would disgree that the publishing coup of ing for \$40 a piece. Current forelast year was the issue of Mikhail casts for £35m give a fairly-Gorbachev's "Perestroika" Col. pitched prospective multiple of lins has certainly added an around 11.

market. Mr Humphrey Price, the

finance director, explained that the group saw the possibilities of profits and expansion being

• comment
Major property sales made
Arlington profits lumpy last year
and it is difficult to expect that

and it is difficult to expect that
the rate of earnings growth can
continue at the same pace this
year. But the group has been
extending its earnings base. All
the business parks which made
money last year should do so
this, but there should also be rev-

enue from parks at Birmingham, Theale and possibly Gatwick. The main difference this year though

william Collins, publisher, yesterday announced pre-tax profits
well ahead of expectations, up 55
method for the profits included a £4.7m
The profits included Australia.

Mr Christopher Taylor is joining the company from Babcock
International, engineering group,
as finance director.

Scomment

teed a more mananced earnings
spread. The group is no longer in
danger of being over-dependent
on earnings from any one division. Most are steaming ahead
take for example Collins Inc

### FJC Lilley contract dissolved

By Clay Harris

profits and expansion being greater in business parks than in the City.

FJC Lilley, construction group, said yesterday that a Cairo sewer contract involving the City. contract involving its US subsid-iary, Harrison Western, had been ably dissolved after technical disagreement with the proj-ect's design engineer.

Lilley has received a cash payment in excess of £1m covering part of the plant which had been installed on site. It will take a slightly larger extraordinary write-off for the year which ended on January 31.

Harrison had a 70 per cent nterest in the \$50m (£27m) Cairo Twenty contract which was funded by the US Agency for International Development.

### Antier up 28% after improved second half

A second half surge enabled Autler to record a 28 per cent advance in 1987 pre-tax profits. This USM, quoted luggage and travel goods maker, made a profit of £1.11m (£871,000) on turnover 17 per cent ahead at £11.73m (£10.04m).

Earnings rose to 12.2p (9.8p) per 5p share and a final dividend of 2.2p gives a total of 3.5p (2p).

### Hazlewood in further European purchase

By Philip Coggan Hazlewood Foods, the fast-growing food manufacturing group, has expanded further in Europe with the purchase of the Feldhues Group for

DM32-5m (£10.6m) in cash.
Feldhues manufactures
cooked meat products at two
factories in Meteleu, West Germany and at Clones in the Irish republic. In 1987, it reported pre-tax profits of DM5.5m on turnover of DM25m.

Further consideration will be payable if Feldhuss exceeds pre-tax profits of DM5.5m in the year to March 31, 1989. Hazlewood has expanded rapidly over the last few years via the acquisition of a spate of private food companies, but recently it has paid particular attention to its growing European operations. HBB, which produces smoked meats, was acquired last August; Wafel

Janssen, a sweet waffles group, was bought in Septem-ber, both are Dutch companies. Before the Feldines acquisi-tion, Razlewood's European operations were expected to produce about 20 per cent of annual profits.

### W & R Jacob profits grow

W & R Jacob, Dublin-based biscuit maker and food distrib-ntor, lifted its profit by 19 per cent to 1£2.52m (£2.19m) in 1987, compared with I£2.11m. Trading margins were raised from 4.8 to 5.1 per cent, and were backed up by reduced interest charges. The final dividend is 5.4p for an 8p (7p) total.

While the company held its volume sales in domestic and export markets, turnover only rose marginally to £54.98m (£54.71m) because of minimal price increases in the highly competitive home market.

The directors said the open-ing quarter had been affected substantially by an industrial

## Cambridge Electronic rises to £13m after rationalisation

RATIONALISATION and better trading conditions at Cambridge Electronic Industries, producer of electronic components and printed circuit boards, lifted pre-tax profits to £13.01m for the year to the end of December, compared with £10.1m in 1986.
The company increased profits

in all divisions except defence and instrumentation, which was affected by uncertainty about Ministry of Defence buying requirements.

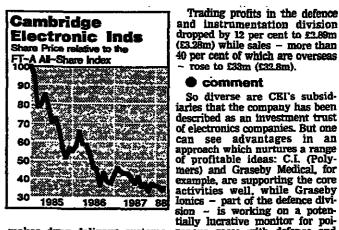
Group turnover was up to £147m (£132.4m) and earnings per share from 14.7p to 19.9p. The board is recommending a final dividend of 6.1p, slightly below expectations, making 8.5p (8p) for the year.

A year ago, following slightly reduced profits in 1986, CEI laid off 300 employees, mostly middle managers in supervisory roles.

Mr John Jackson, CEI chairman, said yesterday: "We're now in a strong position to expand.

The restructuring has turned us into an aggressive and thrusting group and we have an interesting platform for a natural extension

of our present business." Last year the group's specialist companies increased trading profits over 67 per cent to £4.34m (£2.6m) on turnover up from £24.8m to £36m. Both C.I. (Poly-



in the near future.

Bullers, the Berkshire-based cient to eliminate the earlier defi-

for the full year.

The directors said that the In the 12 months to end-Decemseries of acquisitions made in the

ber, profits fell from £355,000 to last two years represented "sig-

\$204,000 on turnover down 9 per nificant steps in the realisation of

ent to £3.59m. building Bullers into a major spe-Much of the profits setback cialist group in upmarket con-

was attributable to the perfor-mance of the consumer products The benefits of the necessary division which reported a loss of remedial action in some of the

£21,000 against a profit of £346,000 purchases should begin to show for 1986. The directors said the during the current year. The

division had sustained a loss of group has low gearing and £172,000 in the first half and remained alert to further possible although it had returned to prof- acquisition opportunities, they

makes drug delivery systems, sonous gases with defence and division's growth.

Mr Jackson said the company to these specialist companies, would probably turn Graseby possibly in the variable speed division in the variable speed divisions and the line was but the same but the sa Medical into a separate division drive area, but the group says it in the near future.

division drive area, but the group says it will not be taking risks. Mean-Interconnection technology while, the company is protected continued to record the largest from recession by low dollar sales and increased trading professor exposure and the fact that its its to £3.45m (£2.48m) on turnover of £43.7m (£40m). of £43.7m (£40m).

Although sales dropped tures. Bepi, the printed circuit slightly in the electronics components division, profits increased profit this year helping to lift the by nearly 22 per cent as a result group to at least £15m before tax. of organisational changes, helped The shares rose 7p to close at

mers), the injection and structural foam moulding business, US subsidiary, which returned to cheap on a prospective p/e of and Graseby Medical, which profit in 1987. Bullers down to £204,000

### **Davidson** acquisition

ceramics and enamel manufac-clt. turer recently in receipt of an After tax of £128,000 (£192,000), Davidson Pearce, the advertisabortive bid approach from Rock, earnings per share slumped to motor component and tool distri-0.41p (5.36p). A maintained final button group, followed up its dividend of 1.5p is recommended. ing agency, has agreed to acquire Davis Gibson Advertising, a specialist advertising halfway deficit by revealing however, making an unchanged sharply reduced taxable profits total of 2p.

for the full year.

The directors said that the

agency.

The purchaser proposes to merge DGA with its own specialist division Davidson Pearce Associates and will rename it Davidson Gibson Associates.

The initial consideration will be £350,370, to be paid in cash or by the issue of loan stock - or a combination of

DGA's net profits for the year ended June 30 1987 came to £52,000 and its net asset value at that date was

### Copymore lifts profits to £1.3m

At the same time Arlington's from the City of London office 11.38.

The outcome was scored on a

Copymore, office equipment supplier, reported pre-tax profits increased from £490,000 to £1.31m in the year to end-December.

The group finally came to the USM last month after the flotation, originally set for October,

cent on the previous year.

Shareholders are receiving sharply increased dividends. The final is 2.8p a share, bringing total payments for the year to 4.0p, almost double the 2.2p paid to 1.0pc from the result of the courtent year for the final is 2.8p as share, bringing total payments for the year to 4.0p. almost double the 2.2p paid for the courtent year for the final is 2.8p. as share, bringing total payments for the year to 4.0p. almost double the 2.2p paid for the courtent year for the forget shopping centre for the final is 2.8p. as share, bringing total payments for the year to 4.0p. almost double the 2.2p paid for the final is 2.8p. as share, bringing total payments for the year to 4.0p. almost double the 2.2p paid for the final is 2.8p. as share, bringing total payments for the year to 4.0p. almost double the 2.2p paid for the final is 2.8p. as share, bringing total payments for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the 2.2p paid for the year to 4.0p. almost double the

for 1986.

Lord Keith of Castleacre, the revenue stream has increased in Glasgow, from a retail warechairman, said that the group "is 33 per cent interest in Barnards from a smaller centre at Bury St all set to achieve another highly Inn. a Holborn office complex, Edmund's, So there is some rea-

uccessful year."

and the Booker Business Centre son for Lord Keith's optimism
Over the past year net assets have been sold, while income has which could turn out on cautious

have been swollen by acquisistarted to flow from business early estimates as 1988 pre-tax tions, notably Aztec West, purchased for £33m. They are now Solent and, of course, Aztec West, earnings per share of 18.1p. This

valued at £87.5m, or 110.6p a The sale of Barnards Inn would put the shares, still highly share. Gearing net of cash is a marks the withdrawal of Arling rated despite last October, on a modest 1.03 per cent.

The sale of Barnards Inn would put the shares, still highly share. Gearing net of cash is a marks the withdrawal of Arling rated despite last October, on a modest 1.03 per cent.

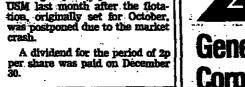
(£241,000), earnings per 5p share per share was paid on December leapt to 8.4p against 2.5p last 30.

THE STANDARD LIFE ASSURANCE **COMPANY** 

THE ONE HUNDRED AND SIXTY-SECOND ANNUAL GENERAL MEETING of the Company will be held in the Head Office, 3 GEORGE STREET, EDINBURGH, on TUESDAY, 22nd MARCH, 1988 at 2.30 p.m. By Order of the Board of

G.D. GWILT **Managing Director** Edinburgh, 8th March 1988 ADDITIONAL BUSINESS eration of the Directors in terms of Regulation 32 of the Regulations of the

Standard Life



TAKA-O CO., LTD 35% GHARANTEED BONGS 1882 WITH WARRANTS (THE "WARRANTS") TO SUB-SCRIEB FOR SHARES OF COMMON STOCK OF THE COMMANY, ADJUSTMENT TO SUBSCRIPTION PRICE TO BE MADE: AS AS RESULT OF A FREE DISTRIBUTION OF NEW SHARES.

An required under Clause 4(A) of the MSTRUMENT relating to the Warrants dated 13th October, 1957, a notice as hereby given that with respect to the tree distribution of new shares resoured at the registre of the Board of Directors had on 19th January, 1988, the shareholders appearing on the register of shareholders appearing on the register of shareholders of the Company as at 3.00 p.m. on 28th February (Monday), 1988, (Tokyo time), the record date) will be allocated thiny new shares to be issued on 158\* April, 1988 for each hondred (100) shares owned, and as a result of such ires distribution of new shares; the following adjustment to the Subportption prior shall be roade pursuant in Clause 5(f) of the MSSTRUMENT:



Results for year ended 31 December	1987 £000	1986 £000	Increase
Turnover	22,035	18,859	+17%
Profit before taxation	1,251	899	+39%
Profit after taxation and minority interest	824	549	+50%
Dividends per share	4.79p	4.2p	+ 14%
Earnings per share	12.85p	9.15p	+ 40%

■ Earnings per share adjusted for Rights issue, July, 1987.

■ Operating Margin up 16%.

■ Includes Final Dividend 3.25p payable

■ Strong Liquidity — Gearing 9%.\_



### **General Mining Union Corporation Limited**

("Gencor")

### Uryx Gola Holaings Limited

(Incorporated in the Republic of South Africa) (Registration number 69/01900/06)

("Oryx") ...

Development, funding and proposed listing of the Oryx gold mine

Introduction

On 22 September 1987, Gencor announced, inter alia, that:

- a new gold mine, to be named the Oryx mine, was to be established on a major medium-to high-grade gold deposit in the district of Theunissen in the Orange Free State, over which Oryx holds the mineral rights;

this gold deposit would be mined as a division of St. Helena Gold Mines Limited ("St. Helena"), utilising the existing shaft system of the old Beisa uranium mine; and
a listing for Oryx would be sought on The Johannesburg Stock Exchange ("the JSE") and The international Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("the

Development progress
Refurbishment and dewatering of the No. 1 Shaft system, in the Belsa area, is in progress. By
7 March 1988, the water level had been lowered to 833 metres below surface, representing 49 per cent of the dewatering task. The precementation of the two sub-vertical shall sites and the new ventilation shall is progressing satisfactorily.

The decision has been taken to precementate the area at the No. 2 Shaft site and work has commenced on this. In the prevailing circumstances, it is not planned to incur any other major expenditure on the No. 2 Shaft system until the No. 1 Shaft system is in production.

Ownership of Oryx The present shareholders in Oryx, with each shareholder's percentage shareholding, are as follows:

BP Minerals International Limited Geobel Investments Limited Angle American Corporation of South Africa Limited and its associates

Funding of the Oryx gold mine To facilitate funding, the Oryx mine is being developed as a division of St. Helena in a similar manner to the old Beisa uranium mine. The development is funded entirely by Oryx by way of loans to St. Helena and special preference shares in St. Helena issued to Oryx, in consideration for which the bulk of the distributable earnings of the Oryx mine will accrue to Oryx.

Share capital and loan funds will be raised by Oryx to bring the mine to full production. To this end, the board of directors of Oryx has established substantial loan facilities and has decided to raise Fi200 million of share capital by means of an issue of ordinary shares to the present Oryx shareholders ("the Oryx issue"). The directors of Oryx may however, reconsider proceeding with the Oryx issue if the JSE all gold index declines substantially from current levels. Development on the Orvx mine will not be affected by such a decision.

Expenditure to date has been financed from loan facilities.

It is likely that there will be further rights issues to finance future development.

Gencor has decided to renounce a portion of its rights arising from the Cryx Issue to its shareholders and dehenture holders. Federale Mynbou Beperk ("Fedmyn"), the controlling shareholder of Gencor, will pass on its rights, arising from the Gencor renunciation, to its own shareholders and debenture holders. The remaining shareholders in Oryx will probably follow their rights.

The board of directors of Oryx has decided to seek fistings for the total issued share capital of Oryx on the JSE and the SEL. The required spread of shareholders will be achieved through the renunciation by Gencor referred to above, more details of which have been set out in the Fedmyn/ Gencor announcement alongside.

Johannesburg 11 March 1988



cent to £8.59m.

### **Federale Myndou Beperk**

itable trading, this proved insuffi- added.



("Fedmyn")

General Mining Union **Corporation Limited** 

Proposed rights offer of ordinary shares in Orvx Gold Holdings Limited ("Oryx") and last date to register

Further to the announcement which appears alongside, Central Merchant Bank Limited and Standard Merchant Bank Limited are authorised to announce that Gencor intends offering by way of rights, approximately R50 million of ordinary shares of no par value in Oryx ("Oryx shares") to its ordinary shareholders, 8.5% variable compulsorily convertible cumulative preference shareholders and 12.5% unsecured subordinated compulsorily convertible debenture holders, registered as such at the close of business on Thursday, 31 March 1988 ("the rights offer").

Fedmyn, the controlling shareholder of Gencor, intends renouncing its entitlement to approximately R27 million of Oryx shares, pursuant to the rights offer, in favour of its own ordinary shareholders, 8.5% variable compulsorily convertible cumulative preference shareholders and 12.5% unsecured subordinated compulsorily convertible debenture holders, registered as such at the close of business on Thursday,

The rights offer and resulting Fedmyn offer are subject to The Johannesburg Stock Exchange granting a listing for the renounceable (nil paid) letters of allocation and for

Application will be made to the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, for admission to the Official List of all the Oryx shares.

Subject to the above, the Gencor rights offer circular, which will include a renounceable (nil paid) letter of allocation and the Oryx prelisting statement, will be mailed to shareholders and debenture holders of Gencor and Fedmyn, as applicable, by Friday, 8 April 1988.

Johannesburg 11 March 1988

30.4



Central Merchant Bank Limited

Senbank

Standard Merchant Bank Limited



Sponsoring brokers







lames Capel & Co.

USA

36%

MAINLAND

**EUROPE** 15%

Year ended 31st December

Profit before taxation

Earnings per share

Dividends per share

trading conditions.

Turnover

INTERNATIONAL EXPANSION

**CONTINUES TO PAY DIVIDENDS** 

The International Building

**Materials Group** 

1987

**SALES UP 25%** 

**PRE-TAX PROFITS UP 27%** 

**EARNINGS PER SHARE UP 11%** 

**DIVIDENDS PER SHARE UP 8%** 

"We are confident that 1988 will be a further year

**CAMBRIDGE** 

ELECTRONIC INDUSTRIES PLC

<del>╒╒┋╒┋╒╃╒┪╏┩╏┩╏╃╏╇╏╇╏╇╏┢╏╘┩╏╇╏╇╏╇╇╏╇╇╏╇╇╏╇╇╏╇╇</del>╇╇╇╇╇╇╃╃

1987

£147.0m

£13.0m

19.9p

8.5p

1986

14.7p

8.0p

£132.4m +11.0%

£10.1m +28.6%

+35.4%

6.2%

of progress and achievement."

UNITED

KINGDOM

**IRELAND** 

26%

### **UK COMPANY NEWS**

# 'New' TI shows 44% lift as profits top £62m mark

TI Group, engineering company, yesterday reported a 43.5 per cent advance to 262.3m in of the plan to buy Bundy, North pre-tax profits for 1967, a year in which it sold several traditional ter tubing.

operating throughout 1986 and 1987 increased by an average of

the strategy which has resulted in a new TL" The shares rose 1p to close at 339p.

& Pollock because of lower demand for nuclear power com-

which it sold several traditional businesses to concentrate on international leadership in three specialised sectors.

Although turnover fell by 18 per cent to £856m (£1.04bn). reflecting the disposal of domestic appliance, bicycle and machine tool operations, TI said both sales and profits of activities operating throughout 1986 and Interest coats fell to £3.5m Interest costs fell to £3.5m

operating throughout 1986 and
1987 increased by an average of
12 per cent.

Reporting on his first full year
as chief executive, Mr Christopher Lewinton said: "We have successfully created and executed machine tools said.

Reporting throughout 1986 and increase costs fell to Lamin 1987 increases fell to Lamin 1987 increased by an average of (\$11.5m). Disposals produced an extraordinary credit of \$50.2m
as chief executive, Mr Christopher (\$268.4m charge), with the £120m gain on the appliances businesses being reduced by a loss on the machine tools said.

Reporting the chief executive in By including the January non-Crane disposals in 1987. TI achieved positive cash flow of

in a lifetime), and successfully salvaged two separate US deals, totalling £200m, from the debris of the crash. All the while, the

TI GROUP profits by division (Em)

1986 1987 engineering Automotive Specialised tube 14.9 15.1 8.7 18.6 (15.0) (3.5)

underlying business was showing its best performance for years. So far, so good, but now what? Small disposals are likely, perhaps of automotive businesses like industo close at 339p.

Earnings per share rose 26 per cent to 29.6p (22.4p), the growth lagging behind the pre-tax advance because of a higher tax charge. A recommended final dividend of 6.5p (5p) lifts the total by 25 per cent to 10p (8p).

Profits from specialised tubes more than doubled, thanks to a full-year contribution from the former Armco-Europe business and despite reductions at the Cold Brawn Tubes joint venture with British Steel and at Ackles

achieved positive cash flow of automotive businesses like industrial clutches and brakes, perhaps of the BSC joint ventures. A 2300m multi-option facility could be used to fund bold acquisitive leaps, not just in-fills. This would provide a key test for both management and market, which has perhaps unfairly seen the restructuring achieved so far as obvious and despite reductions at the Cold Brawn Tubes joint ventures. A 2300m multi-option facility could be used to fund bold acquisitive leaps, not just in-fills. This would provide a key test for both management and market, which has perhaps unfairly seen the restructuring achieved so far as obvious and despite reductions at the Cold Brawn Tubes joint ventures. A 2300m multi-option facility could be used to fund bold acquisitive leaps, not just in-fills. This would provide a key test for both management and market, which has perhaps unfairly seen the restructuring achieved so far as obvious and despite reductions at the Cold Brawn Tubes joint ventures. A 2300m multi-option facility could be used to fund bold acquisitive leaps, not just in-fills. This would provide a key test for both management and market, which has perhaps unfairly seen the restructuring achieved so far as obvious and despite reductions at the Cold Brawn Tubes joint ventures. A 2300m multi-option facility could be used to fund bold acquisitive leaps, not just in-fills. This would provide a key test for both management and market, which has perhaps unfairly seen the restructuring achieved so far as obvious and despite achieved positive cash.

### Thos. Robinson rises to £12.3m

NO FEWER than eleven acquisitions, worth a total of \$30m in and the final dividend is to be 6p, cash and shares, helped Thomas making a total of 8p for the year Robinson increase pre-tax profits against 3p in 1986.

vulnerable to cutbacks in expenditure on capital goods. Yester-day's disclosure that orders now stand at £60m, more than half

half years, chose to emphasise the company's organic growth.

Stripping out contributions from purchases, all of which have been acquisition accounted, profits climbed by 44 per cent to \$10.18m.

Turnover in the businesses

comment

In common with many engineering mini-conglomerates, Thomas Robinson's shares were ravaged during the market crash, losing a lot more than half their owned at the beginning of the value. An element of this was year rose by 26 per cent to investor disaffection with any 189.2m. Including acquisitions, company partial to acquisitions, group turnover rose £42.38m to but Robinson's shares suffered 113.02m. particularly badly because of Fully diluted earnings per fears that the group would be

Robinson increase pre-tax profits by nearly 75 per cent to £12.32m last year.

Yet Mr Graham Rudd, chairman of the engineering mini-conglomerate and architect of its revival over the last two and a half years, chose to appropriate the total of 8p for the year day's disclosure that orders now stand at £80m, more than half the process engineering way to dispelling that particular division. Here, operating profits cloud. Organic growth was added 61 per cent to £5.92m on unquestionably vigorous, and turnover up only 18 per cent to \$5.92m on the company penetrates over-ball years, chose to appropriate that orders now stand at £80m, more than half the process engineering way to dispelling that particular that orders now stand at £80m, more than half the process engineering way to dispelling that particular that orders now stand at £80m, more than half the process engineering way to dispelling that particular that orders now stand at £80m, more than half the process engineering way to dispelling that particular the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering way to dispelling that particular than the process engineering that particular than the process engine unquestionably vigorous, and should continue to be so this year as the company penetrates overseas markets and benefits from the end of discounting at Baker Perkins, the UK's predominant manufacturer of food machinery which is now part of APV. Robinson should make £16.5m this year, putting the shares — up 6p to 440p yesterday — on a prospective ple of little more than 9. A lamentable rating for a company with a good record and good prospects — and one which will prospects – and one which will make rapid paper-financed growth impossible.

### Pineapple plans name change as profits jump

By Flone Thompson

Pineapple Group Will amounce its new same in the next couple of weeks, and it will not be fruity. Mr Peter Bain, chairman of the USM marketing company, said yes-

Pineapple formally hung up its dancing shoes, and all links with founder Ms Debbie Moore, at an EGM in January. Half-year profits announced yesterday include an extraordi-nary charge of £481,000, asso-ciated with the disposal of all the dance studio activities.

Pre-tax profits for the six months to January 31 more than quadrupled to £1.47m, from a restated £358,000, on sales ahead to £6.06m (£3.7m). Pineapple aims to supply support services for commerce and industry. It has two pre-mium gifts businesses — Pre-mium Pen and Regent Leatherincentives businesses -Golden Key Promotions and

Keymark Out and About There are two US businesses. one in sales promotion and the other organises sales conferences and seminars.

ences and seminars.

Yesterday's figures were the
first to include full contributions from all six businesses.

The company expects to
announce further acquisitions
soon and to resume dividends
this year.

### **Arenson reports** strong first-half

£351,000 to £904,000 at Aren-son Group, Hertfordshire-based office furniture and equipment manufacturer, for the six months ended January

Mr Archy Arenson, chair-man, seid that as usual, second half profits should be higher than in the first. This year, however, the directors expected a slightly better balance between the two trading peri-ods. For the year ended July 31 1987 the company made £1.28m pre-tax. The interim dividend is dou-

bled to 1.1p, payable from earnings ahead from 2.63p to 5.42p per 10p share, Turnover amounted to £10.8m (£8.15m).

### Frogmore rises sharply BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

THE INCREASING level of trading activity helped to lift sharply interim pre-tax profits at Frogunder Restates, the property company, and the stock market London, which will be valued at the end of the financial year. The profits growth reflects an acceleration in the company's activities over the past two years.

pre-tax profits for the six activities over the past two years, months to last December were the past two years, months to last December were 22.78m compared with 28.36m in drawn from housebuilding, and the first half of the 1966-87 year. Rarnings per share were 28.3p against 16.7p,

The directors have declared an don's Docklands, on the books

interim dividend of 23p, or 75 since 1973. To that extent, the per cent more than at this time interim figures are exceptional. Property trading profits during 1996-87 year were 8.608p. the half came to £17.46m, com-Estimated net asset value per share at the end of the first half months of 1986-87, while profits was 333p, up from 300p at the from the sale of investment prop-year end. But this understates erties reached £5.27m (£172,000).

### Laidlaw Thomson moves up 39%

Laidlaw Thomson, the USM- Profit after tax and minority quoted architectural ironmonger, interest came to £824,000 increased pre-tax profits for 1987 (£549,000) and earnings per share by 39 per cent to £1,25m on turnwere 12.85p, m.40 per cent on the over up from £18.86m to £22.04m. 1996 figure of 9.15p, after adjustment for July's rights issue. A final dividend of 3.25p (£3p) will man said that Muir Leidlew was

man, said that Muir Laidlaw was the outstanding achiever. he paid, making a total of 4.79p (4.2p).

Cala achieves growth

of 50% in first half Cala, housebuilder and property developer, achieved a 50 per cent profits increase in the first

The half year's taxable figure was £1.55m (£1.05m) on turnover up 26 per cent. The interim dividend is 0.85p (0.15p).

half and expects the full year's figures to continue the growth

Mr Geoffrey Ball, the chair-man, said that various develop-ments in the commercial prop-erty subsidiaries had suffered planning delays, but the division was still expected to make a positive contribution in the full year.

### **ICM** cuts loss

International Colour Management has achieved a small reduc-tion in seasonal first half pre-tax losses from 2500,000 to 2473,000. Mr Colin Clive, chairman, said the loss had been calculated after absorbing the £196,000 excep-tional expense incurred at ITMA, the Paris textiles exhibition.

### Synapse up 23%

Synapse Computer Services, USM-quoted provider of computer services and systems, raised pre-tax profits 23 per cent from £337,200 to £413,400 for the six months to January 31 1988. Turnover was £3.18m and earnings per 5p share rose to 7.63p (4.65p).

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made for grant of permission to deal in the Unlisted Securities Market on The Stock Exchange in the undermentioned securities. It is emphasised that no application has been made for these securities to be admitted to listing.

# TRUST PLC

(Registered in England No. 1243517) 2,000,000 6.5 per cent Convertible Redeemable Cumulative Preference shares of £1 each in Moss Trust plc.

PLACING BY Stancliffe & Co. (division of Allied Provincial Limited)

1,550,000 6.5 per cent Convertible Redeemable Cumulative

Preference shares of £1 each at 100p per share. SHARE CAPITAL Authorised Issued

Ordinary shares of 5p each PROPOSED Ordinary shares of 5p each

16,500,000 7,357,548

7,357,548

14,000,000

Convertible Redeemable Cumulative Preference shares of £1 each 2,000,000 1,550,000

# FROGMORE ESTATES PLC TOTAL INTERIM PRE-TAX

Pre-tax profits

from trading activities

from investment property sales

Net interim dividend per share Estimated net asset value per share Contracted Rent Roll

Significant progress on re-structuring of investment portfolio. Excellent future prospects,"

£11.664m FROGMORE ESTATES PLC

£17.466m

£5.272m

£14.720m

2.3p

333p

HIGHLIGHTS FROM RESULTS FOR A MONTHS TO A ST DECEMBER, 1987

PROFITS OF £22.738m

Total profit, after taxation

"Increased property trading activities,

For a copy of the Company's Interim Statement please ring Ware (0920) 830033.

If you would like a copy of the 1987 annual report, which will be published on 15th April 1988, please fill in this coupon and send to: The Secretary, Cambridge Electronic Industries PLC, Botanic House, 100 Hills Road, Cambridge CB2 1LQ.

Significant progress made by the group in 1987.

Increased profits from restructuring of activities and improved

\* Strong positive cash flow and net cash balance at year end.

\* Order book at the end of 1987 substantially higher than previous year.

\* Encouraging prospects for profitable expansion in the UK and overseas.

# ICI wants to buy balance of C-I-L

. de

Imperial Chemical Industries.

The offer has the backing of the chemicals multinational which already holds a 72 per stake in the Canadian C-I-L has declared that the terms are fine outstanding shares. A meeting in the canadian comproup, yesterday announced that fair to the minority shareholders. Ich easy to approval by shareholders over the amalgamation proposal speaking for at least two-thirds of over the amalgamation proposal state in intended to buy the outstanding shares at C\$47 each. The total that it would be willing to pay a cost to ICI will be \$184m total of \$148.2m or \$38 a share, sents a 58 per cent premium to but it did not have board support. The revised deal is now subject to approval by shareholders is, the day before discussions over the amalgamation proposal state to be held in Toronto as soon as possible.

ICI ways that its offer representation of the canadian company's board. C-I-L makes a range of chemicals and related products, and in 1987 saw not earnings of \$40m on sales of \$1.34bm.

By David Waller

### **Peachey** extends **EPIC** bid

**DIVIDENDS ANNOUNCED** 

Dividends shown pence per share net except where otherwise stated "Equivalent after allowing for scrip issue, tOn capital increased by rights and/or acquisition issues. SUSM stock. SSUnquoted stock. Third market. Airish currency.

By Paul Cheeseright, Property Correspondent

Peachey Property yesterday extended the deadline for accep-tances of its 240p a share offer for Estates Property Investment Company to March 23.

By the time the initial deadline passed on Wednesday, Peachey had received acceptances for, or had acquired on the market, 33.4 per cent of EPIC's issued equity. Of that, 25 per cent came from London Securities, whose share-holders earlier this week gave authority for its conditional sale. A further 2.6 per cent was bought by Peachey on the market. Peachey shares yesterday slipped 3p to 396p. EPIC shares gained 5p to 246p.

Cambridge Elect ...fin Cattle's (Hldgs) ....fin

Coats Vivella .... Collins (Wm) ....

Era Group

Readymix ....
Robinson (Th

# Hepworth posts offer document

Hepworth Ceramic, building chants and by its salesmen servinaterials group, yesterday posted cing this market. He also sugings and indications of present its formal offer document for gests that a joint approach to the intention to accept, Hepworth door manufacturer Henderson.

Professor Roland Smith, chairman, argues Henderson's garage backing of Henderson directors, and Hepworth has already purposed by Hepworth's distribution chased or agreed to purchase 29.6 remains on the table and is due experience with builders merper cent of Henderson's shares.

### Ben Bailey up threefold

was up from 0.4p to 0.6p .

### Texan interests for **Oliver Resources**

Ben Bailey Construction. The directors said that the house builder and estate developer, more than trebled its presence profits for the half-year to the chanting division had benefited from the buoyancy in the construction industry. They said up from £3.74m to £6.89m.

Earnings came out at 4.71p (1.85p) and the interim dividend was up from £4.60 to £6.60.

Bailey Homes. gas and 25,451 barrels of oil.

BRENT CHEMICALS Interna- acquisitions continued to per-BRENT CHEMICALS International continued to peritional has increased its share of form satisfactority.

the printed circuit board manufacturing market in the US with the acquisition of North Carolina-based Surface Chemistry Corporation for an initial \$336,000 in the market at 979 each, a total cash and a further \$360,000 in the market at 979 each.

MARTIN SHELTON has acquired ments. Surchem has assess of Calentint manufacturer of bet-

is acquiring the business, assets and property of Nightingale's year and the contribution to prof-Garden Centre, Pulborough, West its is expected to exceed \$45,000. Sussex, with an option to buy MOUNTLEIGH GROUP has adjacent land for which planning declared its offer for Phoenix paetion of the acquisition is conditional on permission being purchases totalling 30.1m (81.4 per cent) Phoenix shares. The offer remains open. the option, will be £804.000 cash, offer remains open.
and a further £93,000 will be paid HAMPTON TRUST: Offer by for stock.
GRAND METROPOLITAN told

### COMPANY NEWS IN BRIEF'

ments. Surchem has sales of Coleprint, manufacturer of bet-\$600,000 and trading assets of ting slips, for £172,000. The acqui-\$240,000.

ECONOMIC FORESTEY GROUP additional turnover for the group is acquiring the business, assets of at least \$550,000 in the first full

Southend Property Holdings has been made unconditional after annual meeting there was no having been accepted in respect sign of any downturn in busion of 75.05m shares, representing ness. Existing operations and 190.05 per cent

### Kennedy **Brookes** shares soar on approach

soured yesterday after the hotel and restaurant group dis-closed that it had received an approach which "may or may not" lead to a bid. The shares added 88p to close at 888p — capitalising the company at

Mr Michael Golder, chairman, was locked in meetings with financial advisors yesterday afternoon and conse-quently unavailable — and quenty unavariable — and unwilling — to identify the bidder. Market speculation suggested a number of possi-bilities, ranging from Trusth-ouse Forto — which declined to comment — to Pleasurama, which denied that it had made

which demind that it had made any approach. Kennedy Brookes has, over the last year, undergone a con-siderable transformation. Best-known before 1987 as the owner of the Wheeler's chain of fish restaurants, the company has rapidly built up its hotel interests through a num-ber of acquisitions.

The first major purchase was the 11 strong group of Heritage hotels, bought in June last year for £35m. This was followed by the £19.5m purchase of the Onslow Court Hotel in August, and in October by the £50m acceptation of Hotel in August, and in October by the 264m acquiation of the Londonderry Hotel in London's Park Lane and the Howard Hotel in New York.

As a result of this activity, Kennedy ended its last financial year with 1,800 hotel rooms compared with 255 at the beginning of the year. Analysis expect we lax profits of lysts expect pre-tax profits of £15.5m for the 12 months to October, with hotels likely to account for 70 per cent of the total. Last year, hotels accounted for approximately a third of taxable profits of

### Readymix progress

Readymix, Dublin-based concrete producer, raised pre-tax profits from I£696,000 to I£820,000 (£711,744) for 1987. Turnover rose I£48,000 to

An interim and only dividend of 0.75p (0.5p) for the year was announced.

# Hillsdown electronics growth effected by merger proposal

The result will be a combined

changed to Cairn Energy.

pany, but would amount to 10 per

mulated deficit on profit and loss

account by reducing the amount

HIT already had a stake in equity.
Fletcher Dennys, USM-quoted The microcomputer. microcomputer systems dealer, group, renamed Systems Reliabil-following a financial reconstructive Holdings, in which HIT and

Now HIT is making a partial offer for 28.5 per cent of Systems Reliability, telephone manage-

notion package arranged last investors acting in concert with annum. cent). Around 2m of the consortium's shares will subsequently be placed with other investors.

ment systems group, at 150p per Systems Reliability Holdings share. In turn, Systems Reliability will then become HIT's vehicle

Systems Reliability is to merge ity will make an all-share offer with Fletcher Dennys Systems as for Fletcher Dennys on a three-part of a further move by Hills-for-tan basis valuing the latter from the management team we have put in place at Fletcher investment subsidiary of food-to-investment su combined company's non-execu-tive chairman. "And Fletcher Dennys will gain from Systems' nationwide maintenance net-

> The complex structure of the deal allows HIT to retain Systems' full market quote whilst giving cash to two major individ-ual shareholders in Systems, Mr Harrold Allsop and Mr Derrick Haden, who have undertaken to accept HIT's partial offer.

### Caledonian Offshore and Conoco in assets swap

BY STEVEN BUTLER

Caledonian Offshore, Edinburgh—which will manage its onshore based oil company, is acquiring and offshore assets. A consider the onshore licences of Conoco, ation of about £1m is to consist of US oil company, in an assets \$40,000 cash, \$480,000 of 11 per swap aimed at building a more cent five-year unsecured loan broadly-based exploration and stock, 144,000 new ordinary production company.

Caledonian also announced a rants to subscribe between 1993 retained profit for the last half of 1998 of up to 640,000 shares at 1986 of £34,000, compared with a 1998 of up to 640,000 shares at 1986 of £34,000, compared with a 1998 of up to 640,000 shares at 1986 of £34,000, compared with a 1998 of up to 640,000 shares at 1986 of £34,000, compared with a 1998 of up to 640,000 shares at 1988 assets Trust.

Japan Assets is an Ivory & Sime-managed investment trust, and last month convertible loan 1998 of up to 640,000 shares at 1998 of up

£107,000 to £79,000.

Caledonian's principle asset has been an 11 per cent interest in block 44/23 of the North Sea, which would cost about £25m to for a 50 per cent interest in 18 cannot be exercised in excess of 5 onshore licences and a 30 per per cent of the capital of the comcent interest in three licences. It aims to become operator under 15 of the licences, five of which have oil or gas discoveries, and to continue acquiring oil and gas assets in the UK and the US. bergain basis under rule 535,

**Inoco finishes in black** 

Caledonian is also acquiring would be brought to the Unlisted Cairn Energy Management, Securities Market.

Inoco, the property company administration expenses 5803,000 that completed the sale of its oil (£710,0000), interest paid £862,000 subsidiary in October, achieved a (£76,000), tax £36,000 (£186,000), pre-tax profit of £283,000 for 1967 Earnings per share were 0.4p following a loss of £33,000 for the (loss 5p). At December 31 1967 net first six months. This compares seems per 10g share were 30.5p first six months. This compares assets per 10p share were 30.5p with a loss of 2967,000 for 1986.
There were extraordinary charges of 22.34m largely related to oil interests. No dividend is to mulated deficit on profit and loss

Turnover was 23.73m (£1.76m), of the share premium account.

### Royal Ldn has 5.1% of JAT

Royal London Mutual Insurance, which featured promi-nently in the dramatic bid finale at Birmid Qualcast, announced yesterday that it has built up a 5.16 per cent stake in Japan

board.

The acquisition terms imply in the light of this opposition, that the company intends to less has said it would reconsult develop. Rather than tie the com-pany's future to one expensive future, partly through the issue asset, Caledonian has traded this of shares. The directors' warrants Overseas, the Morgan Grenfell-Overseas, the Morgan Grenfell-managed investment trust which been pushing for a discount-elim-inating reconstruction scheme. It was arbitrage activity by Royal London in the closing stages of the bid by Blue Circle for Birmid Qualcast which led to one of the counting errors by the bidder, causing it to declare vic-tory erroneously.

### Fleming Mercantile

Fleming Mercantile Investment Trust holds 14 per cent of Leisuretime International, the hotel and travel group which plans to move into nursing and residential care homes under the direction of the Jivraj family.

KUNICK subsidiary Goldsborough has bought Woodlands Hall NursingHome, Leeds, for £1.37m

# What does Hans Christian Andersen have in common with EAC?

# They're both international, they're both successful and they're both from Denmark

### The East Asiatic Company Ltd. A/S The East Asiatic Company is one of Denmark's

largest companies, with an annual turnover of over US\$ 2.3 billion. It began life as a trading company over 90 years ago and is now a successful international operation, with flourishing businesses on all five continents.

tt has seven operational divisions - graphics, informatics, trading, consumer products, Plumrose, transport and energy – all linked to markets where the company has a history and understanding on which it can capitalise. These divisions are made up of 104 different companies, some of which were founded by EAC while others have been, and continue to be, acquired where they fit the strategy and growth aspirations of the company.

Much of its business is still related to trading, where its long experience and manifest skills mean that it is chosen by established brand names such as Mars, Carlsberg, Heidelberg and Crosfield, to handle their products in various countries. It is involved in operations as diverse as selling leading-edge technology to the Chinese, in the shape of printing machinery and peripherals, on the one hand, and exporting literally billions of nuts and bolts from China on the other. In fact, it has the largest foreign agency network in China.

It also manufactures, largely although not exclusively in food and drink. It outmarkets the Germans in their own home market for tinned and bottled sausages; is the biggest producer of processed meat in Venezuela; produces and sells more yoghurt, canned meat and processed tomato products than anyone else in Australia; and is one of ICI's oldest trading partners in the Far East. EAC's Plumrose brand name is instantly recognised in the UK, USA and elsewhere.

Although, historically, its major business was in commodity products such as timber, meat, wool, rubber and palm oil, together with shipping and trading, it now only retains those activities where they are both profitable and either capable of expansion or integral to other operations. Its strategy is to concentrate future development in areas of higher added value and where quality is important, again based around markets or products the company understands.

Extracts from the Directors' Annual Report For the EAC Group as a whole, 1987 was another year of progress. The profit on ordinary activities improved by 17% to DKr 444 million (US\$ 73 "A De La Rue company

million) and the pre-tax profit increased by 23% to DKr 473 million (US\$ 78 million).

In the course of the year, the development of the Group took place through a balance between continued consolidation and expansion. Financing of the Group's activities and develop-

ment is co-ordinated centrally, together with the Group's corporate planning. During the year, fluctuations in rates of interest and currencles have made it possible to continue to adapt the loan portfolio favourably.

At the end of the year, the Group's liquidity reserves amounted to DKr 2.6 billion (US\$ 427 million), represented by marketable securities and liquid funds. To this may be added considerable unutilised credit facilities under existing agreements with banks.

The Report for 1986 included a forecast for 1987 of net sales and gross profit for each of the divisions on the basis of rates of exchange as at end 1986. The forecast assumed an improvement in aggregate net sales and gross profit of 12% and 14% respectively. The actual increases which were realised on the rates of exchange of the forecast were 13% and 11% respectively . . . a forecast of

net sales and gross profit for 1988, based on the rates of exchange at the end of 1987... shows a continued total improvement in sales from DKr 14.5 billion (US\$ 2.4 billion) to DKr 16.3 billion (US\$ 2.7 billion) in 1988 — or 13% — and in gross profit from DKr 3.3 billion (US\$ 546 million) in 1987 to DKr 3.8 billion (US\$ 623 million) in 1988 - or 14%.

The Board will propose to the Annual General Meeting on 25 March a dividend which, at 8%. will be unchanged. Shares converted from bonds in November/December 1987 will carry half dividend.

At the end of 1987, the share capital amounted to DKr 1,568 million (US\$ 257 million) and the total dividend which will be paid, subject to the approval of the Annual General Meeting, amounts to DKr 124.2 million (US\$ 20.4 million).

FOR FURTHER INFORMATION If you would like a copy of the EAC Group's Annual Report and Accounts, please write or telephone:

The Shareholders' Secretaria The East Asiatic Company Ltd. A/S
2 Holbergsgade, DK-1099 Copenhagen K, Denmark
Telephone (010) 45 1 11 83 00 Telex 12100 (DK)

Our share price is published daily in the FT.



Results for the EAC Group, 1987 Over four fifths of the turnover of the EAC Group is in US dollars or dollar related currencies. The 1986 and 1987 figures are therefore given in Danish kroner and US dollars, converted at the year end exchange rates.

•		DKr million		US\$ million		
Profit and loss account	1986	1987	1986	1987		
Net sales	14,174	14,472	1,931	2,375		
Gross profit	3,387	3,324	462	546		
Operating profit	660	608	90	100		
Financing expenses	239	175	33	29		
Profit on ordinary activities	381	444	52	73		
Sum of extraordinary items	4	29	1	5		
Profit before tax	385	473	52	78		
Profit before minority interests	316	339	43	56		
EAC share of Group profit after tax	311	302	42	50		
Balance sheet						
Total assets	11,389	11,426	1,552	1,875		
Total debt (a)	8,512	8,637	1,160	1,417		
Working capital (b)	1,889	2,573	257	422		
	2.877	2,789	392	458		
Shareholders' equity (c)						

1986	1987
23.9	23.0
2.2	2.1
25.3	24.4
16.8	13.6
6.4	6.5
2.6	3.5
	23.9 2.2 25.3 16.8 6.4

(d) Net profit after tax as a percentage of EAC's share of equity, excluding convertible bonds.

(e) Profit before interest as a percentage of total assets, excluding cash and cash equivalents.

(f) Profit before financing expenses, divided by financing expenses.

(c) including convertible bonds

### Last ditch meeting for cocoa agreement

DELEGATES to the crisis talks at the International Cocoa Organisation (ICCO) have a last opportunity today to resolve problems which could paralyse the cocoa agreement. Producer and consumer countries reached deadlock on Wednes

day over what level of support prices the organisation should be defending. Consumers believe that the rules of the agreement are absolutely clear - if the buffer stock manager buys 75,000 tonnes in a period of less than six months and the ICCO price remains outside the defence range, the prices have

to be cut. The buffer stock manager bought 75,000 tonnes from the market between January 19 and February 25, taking his holding to the maximum permissible 250,000 tonnes. The producing countries case is that now the buffer stock is full, there is no need for further cuts in defence

The range of prices to be defended, which was decided in January only after four successive special ICCO council ses-Special Drawing Rights. Consumers say that an automatic cut of 115 SDRs should now be made under the rules of the agreement, although they would like to see a bigger reduction. The indicator price for March 9 was 1,268.9 SDRs.

Yesterday Mr Albert Russchen held informal talks with both producer and consumer coun-tries to try to find a way around the deadlock. But several key producers did not attend the talks.

If the problem remains unresolved, an arbitration process will be invoked — and all fur-ther support measures will be held up until a decision is reached on the interpretation of the rules. This will mean that the withholding scheme which was approved earlier this week will not be put into

However, there are doubts hanging over the withholding scheme as both the Ivory Coast, the world's biggest cocoa exporter, and Brazil owe more than \$40m in levies to the organisation. Without this money, the buffer stock manager has only enough to fund the maintenance of the 250,000

tonnes he already has. Even if the financial and price support problems are solved today, analysts doubt that the

prices.

ast night the second position
The authorities suspect that stocks at the end of February year's 35m bag harvest, export in recent months, the fee had down at £955 a tonne, a fall of £47 since the crisis talks

211 sexport allowance this year at on an intornia market, charging the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee of 50 cents a bag. 15.4m bags, much less than last the buyer a fee ba

ROYAL Dutch/Shell has signed an outline agreement with Petropern for the \$1.3bn (£710m) development of the huge gas find made by Shell in Peru's southern jungle a year

continue negotiations aimed at signing a 40-year contract before the end of August 1988. The aim is to start production replace 17,000 barrels a day of oil used to fuel electricity and industry plants. Production is to be doubled by the year 2000. The project will be the big-

ment of jungle oilfields and construction of the North Peruvian pipeline in the mid-

Shell is to put up about half

and will also help Petroperu to find financing for the balance, which it hopes to do through the InterAmerican Development Bank and pipeline sup-

Mr Jan Vrouwe, Shell's general manager in Peru, said on signing the contract yesterday that it was one of Shell's higgest and that the company expected to follow up the out-line agreement until it signed

includes \$410m in developing the gas fields and installing collection and reinjection systems plus treatment plants. It is also to cover one quarter of the cost of a \$700m gas and condensate pipeline to run from the jungle over the moun-tains to the coast and one quarter of the cost of a \$150m plant for production of liquefied petroleum gas, gaso-

the gas in cash to be guaran-teed by production and is also to continue exploring for oil. The company has aiready spent \$200m in its jungle exploration venture over the pest six years. This includes 3,4000 kilometres of seismic lines and drilling of 6 wells, the last of which was completed in August 1987. Oil prices firmed yesterday,

with dated Brent cargoes up

further erode prices.

47.5 cents a barrel to \$14.475. Rumours of possible moves to lower production by members of the Organisation of Petroleum Exporting Countries helped to strengthen sentiment. Reports from Tokyo that Abu Dhabi was offering retroactive market-related price cuts to Japanese buyers belped to ease fears about possible offers for discounts on future deliveries, which would

### Iron ore meeting ends in failure

By William Dullforce in Geneva

IRON ORE producers, looking for better market information to help them plan against the current imbalance between supply and demand, have been disappointed at a one-week meeting here with

Completion of a draft question naire that would expand the statistics available has been postponed until a new meeting in October, 1989 because of reservations by consumers, in particular by the European Commission. about the extent and confidenti-

ality of the information sought. However, industrial and govorder to meet deadlines, and that - Manuel Perez - commands ernmental experts from countries more efficient security is needed. the movement, waging war on representing 90 per cent of world But Major Roberto Fernandez, the oil companies. ernmental experts from countries exports of iron ore and over 75 per cent of world imports have discussed the current market sitwho runs Sevipetrol, a company providing security service for the oil sector, argues otherwise: "The oil sector, argues otherwise: "The only way is to convince the people who live along the pipeline to watch over it — that oil is our own natural resource."

Colombians in the oil business discussed that the meeting organised involved in building the pipeline — especially Mannesmann — for ence on Trade and Development. The ELN's current strength Estimates of kidnap and other rangements of kidnap and other rangements of kidnap and other rangements. The ELN is per cent in Europe and 4.5 per cent in Europe and 4. A current publicity campaign stresses both ecological damage and nationalist values, while Eco
soms paid to the guerrillas run world market, have lallen by 4.1 from \$2m to \$16m. The ELN is per cent in Europe and 4.5 per thought to have between 600 and cent in Japan this year following and nationalist values, while Eco
1.000 combatants, and recent declines of respectively, 8 per 1,000 combatants, and recent declines of, respectively. 8 per attacks on oil installations in the magdalena Valley and the Cali area, as well as a car bomb dition, for the last two years the attacks on oil installations in the cent and 5.5 per cent last year. Magdalena Valley and the Cali area, as well as a car bomb planted outside Occidental's first annual price settlement has been in Japan, not in Europe. The present reference price for

Brazilian fines in Europe is 235 cents, giving a price per tonne of around \$15 a tonne. Brazil was Geological teams out in the the leading exporter in 1987 with a record level of 96m tonnes, fol-

estimated to have increased by 1-2 per cent over the 1986 level of

920m tonnes. Consumption is also likely to have increased in 1987, although, according to the Unctad secretariat, the long-term trend is downward. Consumption of fines has been steadily decreasing, resulting in considerable over-supply on the market. On the other hand, with

the restructuring of steel industries towards more cost-effective and pollution-free plants demand for pellets has risen over the past two years. Sweden's LKAB company

secured a 12.6 per cent increase in the price of its pellets for delivery in Europe this year. Brazilian and Canadian producers, handi-capped by higher freight rates, obtained rises of, respectively, 9.55 per cent and 7.5 per cent. LKAB, however, feels that prices are still too low to justify investment in a new pelletising

# Shell in £710m deal to develop Peruvian gas find

ago.

The companies are now to make detailed engineering studies of the project and to

of 100m cubic feet a day of gas by mid-1993. That would

gest in Peru since the develop-

the investment for the project

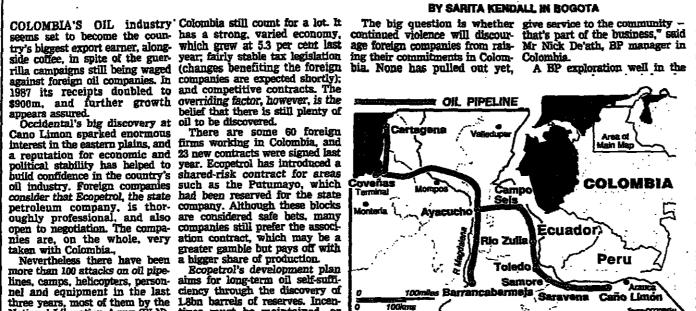
Cano Limon sparked enormous There are some 60 foreign interest in the eastern plains, and firms working in Colombia, and a reputation for economic and political stability has helped to build confidence in the country's shared-risk contract for areas oil industry. Foreign companies such as the Putumayo, which consider that Ecopetrol, the state had been reserved for the state petroleum company, is thoroughly professional, and also one to negotiation. The companies still prefer the associ-

open to negotiation. The compa-nies are, on the whole, very taken with Colombia., greater gamble but pays off with

Nevertheless there have been more than 100 attacks on oil pipelines, camps, helicopters, personnel and equipment in the last three years, most of them by the National Liberation Army (ELN).

At first, the guerrillas seemed to even improved, according to Eco-be concentrating on the foreign petrol, to encourage foreign com-companies. So when Ecopetrol panies to contribute some \$25m of

Rebels fail to dampen confidence in Colombian oil



the main oil export pipeline, it was hoped the bombings would tail off. Then, in the first 10 every acre of the middle and because weeks of 1988, the pipeline was attacked more than 20 times.

The more accessible parts of the middle and because weeks of 1988, the pipeline was attacked more than 20 times.

though the rash of recent attacks least one or two to consider the possibility. Some companies have changed or postponed exploration plans in certain areas because of harassment by guerrillas.

"Civic action" — providing health posts, schools, bridges and services — has become an important component of every oil company's budget, "We wouldn't expect to go into an area and not most of the pipe is buried, there is a company's budget, "We wouldn't expect to go into an area and not most of the pipe is buried, there is a company's budget, "We wouldn't expect to go into an area and not into the second and into the last subsistence evokes greater response than the exchange of the take is 83 per cent under the association agreement.

Until the early 1960s the ELN and the early 1960s the ELN and the leading exporter in 1987 with a record level of 96m tonnes, followed by Australia. The two took 45 per cent of world trade. They must keep moving continually," said Mr Enrique Gonzalez of Robertson Research. Robertson's Bogata office — expanded to go in the early 1960s the ELN as a result of increased work in appeared to be on the decline — particularly exposed. They must keep moving continually," said Mr Enrique Gonzalez of Robertson Research. Robertson's Bogata office — expanded to 25 per cent increase in world trade. The world trade. The second level of 96m tonnes, followed by Australia. The two took 45 per cent of world trade. The second level of 96m tonnes, followed by Australia. The two took 45 per cent under the association agreement. Until the early 1960s the ELN as a result of increased work in appeared to be on the decline — particularly exposed. They must keep moving continually," said Mr Enrique Gonzalez of Robertson Research. Robertson R

are river crossings, mountain 1964, has long been associated ravines, pumping stations and with guerrilla priests and oil other vulnerable spots. Critics resources in Northern Colombia. say the line was built hastily in Now a former priest from Spain

petrol itself is devoting more attention to community pro-grammes in oil areas. Exporters say the bombings have spilt over 250,000 barrels of crude in the last ten weeks: the black stains have spread over farmland and into meandering rivers, killing fish and birds. The disastrous effect on local subsistence evokes

# attacked more than 20 times. Foreign oil managers are surprisingly phlegmatic about guerrilla activities. Despite comments, such as "the insecurity is incredible," the attractions of Pacific coast. The more accessible parts of the "Civic action" – providing investment in the more accessible parts of the "Civic action" – providing incredible, activities activities. Despite component of every oil component of every oil company's budget, "We wouldn't expect to go into an area and not incredible," the attractions of Pacific coast. The Cano Limon pipeline is being built over the mountains to carry central plains production to the Magdalena Value, activities are very popular. In the alth posts, schools, bridges and services – has become an important component of every oil company's budget, "We wouldn't expect to go into an area and not incredible," the attractions of Pacific coast. Export quota cheating sparks fresh Brazilian coffee scandal

took responsibility for operating

As many as 30 export houses and put some of the smaller compator 7,000 bags. Another claimed it farm co-operatives are suspected nies out of business for good. had stocks of 66,730 bags. of inflating or even inventing withholding scheme — which could take a maximum of 120,000 tonnes off the market — will have much effect on prices.

Inon-existent stocks in order to quotas out of Brazil's export its warehouse.

Inon-existent stocks in order to quotas out of Brazil's export its warehouse.

IBC quotas out of Brazil's export its warehouse.

IBC quotas out of Brazil's export its warehouse.

IBC quotas change hands for the prices that vary between \$30 and basis of their stocks. With Brayer at on an informal market, charging

The IBC awards companies although no coffee was found in

the \$3.5hn exploration programme over the next 12 years.

Brazil's coffee industry is once again beset by scandal. Word emerged a week ago that some companies' export quotas and forcoffee traders were cheating the new ones until May. The export system by grossly over estimating their stocks.

The scandal has exposed the disorganisation, corruption and poor regulation in the industry.

As many as 30 export houses and to run to honour their export commanies can either buy coffee companies can either buy coffee to honour their export commanitation to honour their export commanitation to honour their export commanies can either buy coffee to honour their export commanies can either buy coffee to honour their export commanies can either buy coffee to honour their export commanies can either buy coffee to honour their export commanies to honour their export commanies to honour their export commanies also companies which actually have coffee to export.

One companies to honour their export commanies also companies which actually have coffee to export.

One companies to honour their export commanies can either buy coffee to honour their export commanies to honour their export commanies can either buy coffee to honour their export commanies to honour their export commanders to honour their export commanders to honour their export commanders to honour their export honour

always been common, except that are relatively new firms.

last month the market started Mr Jair Coser, president of Rio getting very funny numbers so de Janeiro's coffee marketing the IBC decided to investigate." centre, said: "It is shameful that If the stock figures were to be non-traditional firms and dishon-believed, the Brazilian barvest est co-operatives should invalilast year would have been 25 per date the serious work of the cent greater than the 34m bags larger and better established actually harvested.

The scandal highlights a deep division within the industry, between recently-established between recently-established stock figures after an IBC check, exporters and the traditional said: "Far more shameful than houses, which blame the former rectifying a declaration is using a for bringing dishonour on the The Santos Commercial Associ-

ation, the big coffee traders companies out of a universe of group, which is dominated by the almost 300 companies with structraditional companies, expelled tures to export but can't because the companies caught fiddling the system does not permit

Mr Armando Mellao, president of Mellao Neto, who corrected his position one has within certain associations and political strength to favour just a few

The industry is heatedly dis-cussing reforms and better controls. The complex and often inef fective controls are necessary because the ICO strictly regu-lates exporters' access to the world market. Small companies complain that the current system favours the large exporters.

Bogata offices, suggest surprising

mobility – or, perhaps, collabo-ration with other groups working under the ELN banner.

The affair has increased indus try demands that the IBC abolish the quota system completely. The higger exporters want quotas to be auctioned. At present, auc-tions are only held in the Sao Paulo Commodities Exchange.

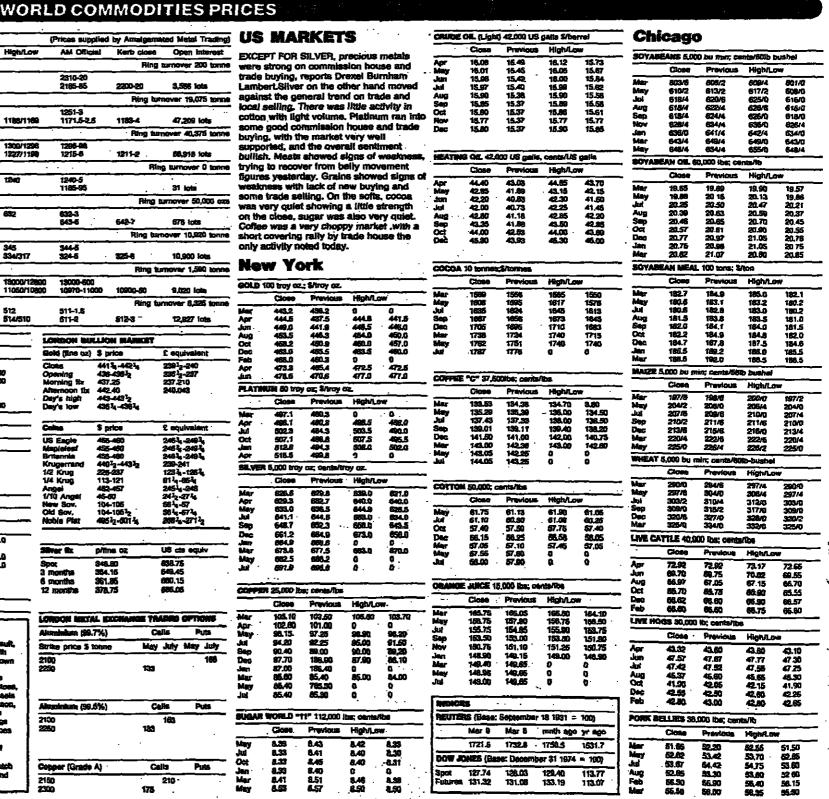
The latest scandal has also strengthened the hand of those who want to abolish the IBC altogether and restructure the coffee

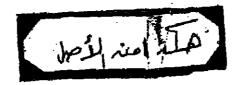
### **LONDON MARKETS**

NICKEL PRICES continued to advance strongly on the London Metal Exchange a further \$137.50 to close at \$10,812.50 a tonne or \$4.90 a lb. At one stage it reached \$10,900 a tonne - equivalent to \$5.04 a lb - before falling back on profit taking. The sound fundamentals continue to fuel the bull run, analysts said, but there remains effective chart resistance a the \$5 a lb level. Aluminium traders were taken by surprise when the Institute of Primary Aluminium reported a rise of stocks for January. The market had been expecting a fall, or perhaps a small rise if a possible seasonal luli in demand in the first quarter was taken into account. The announcement deflated bullish sentiment which took prices near record highs in morning trading. Three-month 99,7 per cent pure metal closed just \$7.50 on the day at \$2,197.50 a tonne.

SPOT MARKETS		
Crude all (per barrel FOB)		+ 01 -
Dubai	\$12.75-2.95y	+0.20
Brent Blend	\$14.45-4.50z \$15.90-5.95y	+0.475 +0.25
W.T.L(1 pm est)		
Off products (NWE prompt d	Sinery ber so	+ Or -
Premium Gasolina	\$186-169	-1.00
Gas OH (Soviet)	S129-131	+ 1.60
Heavy Fuel Oil Naphthe	\$65-57 \$138-140	+2-00
Petroleum Argus Estimates	0.00	
Other		+ QT -
Gold (per troy oz)	\$442.00	+5.25
Silver (per troy oz) 🏟	634c	+3.00
Platinum (per troy cz) Paliadium (per troy cz)	\$493.50 \$122.85	+ 11.00 + 1.35
Aluminium (free market)	\$2365	
Copper (US Producer)	1085-127c	+0.25
Lead (US Producer)	35.50c	
Nickel (free market) Tin (European free market)	600c £3735	+ 30.00
Tin (Kuala Lumpur market)	17.29r	+0.04
Tin (New York)	318.75c	-1.00
Zinc (Euro. Prod. Price) Zinc (US Prime Western)	\$905 45.375c	
Cattle (live weight)†	110.720	+0.16*
Sheep (dead weight)†	190,74p	+ 11.70
Pigs (live weight)†	71.45p	+1.62
London daily sugar (raw)	\$222 00x	+3.00
London dally sugar (white)		+2.50
Tate and Lyte export price	£227.50	+2.00
Barley (English feed) Make (US No 3 yellow)	£196.59y £134.00	-0.50
Wheat (US Dark Northern)	191.25s	-1.75
Rubber (spot)♥	81.50p	+0.25
Rubber (Apr) 🛡	65.75p	+0.25
Rubber (May) 🎔	85.75p	+0.25
Rubber (KL RSS No 1 Mar)	285.00mg	
Coconut oil (Philippines)	\$545.00s	-5.00
Palm Oil (Malaysian)§ Copra (Philippines)§	\$375.00 \$370.00x	
Sovabeans (US)	£152.00	-1.50
Cotton "A" index	85.85c	-0.25
Wooltops (64s Super)	570p	-8.00
£ a tonne unless otherwise		
c-cents/lb. r-ringgit/kg. w-Fo		
Apr/Sep. x-Mar/Apr. y-A May, tMeet Commission ave	pr. I-API/JU	n. a-April
change from a week age.	<b>▼Landon phy</b>	sical mar-
ket. GCIF Rotterdam. 💠 Bulli	ion market clo	66. m-Ma-
taysını/Singapore çents/kg.		

						* .		WOF	ILDUC	MAHALO	ווווע	-5 P
COCOA	£/mme			LONDO	S MATA	L BOXCHA	NOT		(Prices sup	plied by Amal	semated M	etal Tradin
	Close	Previous	High/Low	. ====	Close		Previous	High/Low				en Interest
Mar	934	942	935 918	Alumini			per tonne)				Hing turnov	
May	955	963	982 939	Cash	2320		2340-60		2310-20			
Jily Sep	973 882	982 1001	990 990 998 979	3 month			2180-200		2165-85	2200-20	3,5	56 lots
Dec	1017	1027	1023 1005	Aleestel	um,82.5%	purity (E	per tonne)			Rin	g bytnover	19,075 tons
Mer	1043 1065	1054 1073	1051 1033 1070 1054	Cash	1268	-70	1267:70	<del></del>	1251-3			
May				. 3 month	s 1185-	<u> </u>	1177-8	1188/1166	1171.5-2	5 1183-4	47;	209 lots
ICCO in	r:850U (46 dicator or	129) lots of 1 ices (SDRs i	io ronnes per torne). Deily brice	Copper,	Grede A	(£ per ton	ne)			Rine	g fullmover	40,375 tonn
for Marc	th 10 : 124	13.95 (1295.8	per tonne). Daily price 3) .10 day average for		1302		1236-40	1300/1296				
March 1	1: 1259.3	2 (1265.27).	_	3 month			1187-8	1227/119	1215-8	1211-2	. 58,	918 lots
COFFEE	Chartes		<del></del>	Copper,	Standard	(E per tor	nne)		<u> </u>		Ring turn	over 0 tonn
CUTTEE			I Hack Street	_ Cash	1243		1190-1210	1240	1240-5			
	Close	Previous	High/Low	3 month			1135-45		1185-95		. 31	
Mer May	1125 1158	1123 1155	1127 1112 1158 1143			ina ounce	<del>`                                    </del>			, R	ing turnove	r 50,000 cz
Jiy .	1180	1181	1183 1170	Cash 3 month	632-6 s 842-5		627-9. 637-9	652	632-3 643-5	642-7	671	ipts
Sep Nov	1204 1226	1205 1233	1207 1196 1233 1221									
Jan .	1251	1263	1254 1248		per tonne					KIN	prinover	INTER BOATS
Mar	1270	1290		Cash 3 month	346-6 a 325-5		353-5 331.5-2	345 334/317	344-5 324-5	325-8	10 0	000 lots
		621) lots of			per tonn						ng turnover	
			enta per pound) for (18.38 (118.54); 15 day				40000 200	40.000 × 0			A CHICAR	
	120.87 (1		(	Cash 3 month	12700 10800		12500-806 10850-700	19000/126			9.00	20 fota
					er tonnel						ng turnover	
SUGAR	\$ per tont	14		Cash	512-3	i	506-0	512	511-1.5		-	
Rev	Close	Previous	High/Low	. 3 month	<u> 511-1</u>	<u>.5</u>	500-9.5	514/510	511-2	512-8 -	12,1	27 lots
May	188 40	199.80	189.60 186.80	BOTATO	ES Effont				TOTAL PARTY	CLION MARK	<del></del> :	
Aug	188,00	189.60	189.00 187.40	POINTO	Close	Previous	s High/Low					
Dec Dec	188.00 187.60	190.00 188.20	189.40 187.00				s rugiorom		Gold (fine oz)			valent
Mar	188.60	189.60	189.40 188.00	Mar Apr	78.50 142.60	78.50 141.00	144.40 141	.80	Close Opening	441 % -442 % 436-436 %	2391 <sub>2</sub> .	
May	190,80	192.20	190.00 189.60	May	151.50	149.40	154.00 150	.00	Morning the	437.25	237.21	.0
White	Citose	Previous	High/Low	Nov Feb	\$1,50 \$9.00	91.00 99.50	91.50		Afternoon fix Day's Itight	442.40 443-443 <sup>3</sup> 2	245.04	8 .
May	231,50	231.00	232.00 230.00	Apr	138.50	138.60	139.50 138	.00	Day's low	43614-43614		
Aug Oci	231.20 231.00	232.50 230.00	232,00 230,00 231,00 229,50	Turnove	r 1149 (B	ii) lots of	100 sprines.					
Dec	231.00	233.00	230.00		AN WEAL				Calhs	\$ price	E adn	lvalent ·
Mar May	232.00 233.00	233.00 234.50			Close	Previous	- High/Low		US Eagle	455-460	2464	2493,
Aug	236.50	237.00		Apr	123.50	126.00	123.00		Mapielesi Britannia	455-460 455-480	246 k.	249 % .249 L
		74 (2344) lo	s of 50 tonnes, White	Jun	118.00	121.50	119.00		Krugemand	44012-44312	239-24	17
596 (766		4	Non 1919 Aug 1915	Aug Oct	118.50 120.00	120.50 121.50	116.00		1/2 Krug 1/4 Krug	226-237 113-121	128¾. 81¼-6	
Oct 1315	, Dec 132	per kume): 10. Maj 1327	May 1313, Aug 1816, '. May 1340	Dec	124.00	128.00			Angel	452-457	يا 245	248
			-	Turnove	· 15 (158)	lots of 10	30 tonnes.		1/10 Angel New Sov.	45-60 104-105	24 <sup>2</sup> 2.4	74
GAS OIL	Sitonne			FREIGHT	FUTURE	S \$10/Inde	ex point		Old Sov.	104-10512	<b>56</b> ≒-6	74
	Close	Previous	High/Low		Close	Previous	<del></del>		Noble Plat	49512-5014	2084	2712
A==		124.50		Ā								
Apr May	127.00 128.25	124.50 123.75	127.25 123.75 127.25 123.75	Apr Jiy	1640.0 1489.0	1619.0 1462,0	1840.0 162 1486.0	m.Q	Silver Rs	p/fine 02	US cts	ecut-
Jun	127.50	124.76	127.75 125.50	Oct	1530.0	1508,0	1530.0 151			348.B0	638.75	
.juj	127.75 129.00	125.00	128.50 126.00 129.00 128.50	Jan BFI	1517.5 1576.5	1500,0 1575,0	1617.5 150 1576.5	0.0	Spot 3 months	346.80 3\$4.15	638.75 649.45	
Aug			<del></del>		- Q.B	10T 4.D	10.00		6 months	361.85	860,15	
Turngver	r: 5404 (40	\$43) lots of	TUU 901F196		_				12 months	378,75	686.06	
			<del></del>	Turnover	: 653 (86)	3)						
GRAINS	∑7 <del>onne</del>								LORDON MEET	L DICHARO	TRADES (	PTIQUE
Wheat	Close	Previous	High/Low			CETABLE		. 1	Alumbhum (99		Cells	Puts
Mar	104.15	104.05	104.50 104.10				sphere grapas to down as a r				<del></del>	
May	108.20	108.15	106.80 106.15	recorts	FFVIB. P	6612 <b>5</b> 46 5	ulso plentitul, v	vith .	Strike price \$	EXISTRE	May July	
Jly San	108.85 101,65	108.70 101.45	109.10 108,80 101,60				0-50p). Homes	town	2100		***	166
Sep Nov	103,65	103.46	108.66 108.60				uelity, with o), red and whi	, I	2250	7	133	
مول	106.70	105.60	105.70				16-90p, and pot					
Mar	197.80	107.75	107.65 107.60	11-14p	whites, 13	1-15p reds	. However, bru	Madela				
Berley	Close	Previous	High/Low				end of their so waits than it ha		Aluminium (98	5%)	Calls	Puts
Mar	103.25	103.10	103.23				אנונץ נחבות ון הנ (5p), and loabs		2100		163	
	105.40	105.40	105.40				d Spaniz tome		2250	1	183	
May		98.15	98.05 99.20	are rea	ching the	end of the	sir seeson,	1				•
Sep .	96.20				150.75-A I	sut increas	aed dnaufites	or i		-		
Sep Nov	100.70	100.85	100.70									
Sep Nov Jan	100.70 103.00	102.60	103.00	homeg	rown and	Dutch tem	nations are now	, }	Copper (Grode	A) ·	Calls	Puts
Sep Nov Jan Mar	100.70 103.00 105.00	102.80 104.90		everieb tomeg	rown and le at 90p. Xurs are s	Dutch tem £1.10. Hon	nations are now pegrown and I ang Canary Isl	Dubets and	Copper (Grade 2150	A)	Calls 210	Puts





### CURRENCIES, MONEY AND CAPITAL MARKETS

**FOREIGN EXCHANGES** 

## Sterling loses momentum

STERLING'S RECENT charge ran out of steam yesterday, following comments by Mr Nigel Lawson, Chancellor of the Exchequer. Speaking in the House of Commons, he stressed that any further rise in the exchange rate, certainly against the D-Marks. There was evidence that into D-Marks. The pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the pound's exchange rate index slipped to 77.1 at the close, as well on the slipped of the situration in a narrow range on Liffe yester that interest rates and in a narrow range on Liffe yester that interest rates and in a narrow range on Liffe yester that the slipped to 71.1 at the close of the fixed in a narrow range on Liffe yester that interest rates and the slipped to 71.1 at the close of the situration in a narrow range on Liffe yester that investors the day's low on profit taking. Trading was uneventiful, and is unwilling to make any firm decirate that investors beautiful on the stating advantage of the interest rates and in a narrow range on Liffe yester town. Mrs Thatcher has recently suggested that interest rates and int

further rise in the exchange rate, certainly against the D-Mark, was unlikely to be sustainable.

The pound's exchange rate index slipped to 77.1 at the close, down from 77.2 at the opening and on Wednesday night. With only two full trading days left before the UK Budget, trading volume is likely to be become a lot thinner and nervous. Short term investors are more likely to term investors are more likely to square positions and remain on the sidelines, until details of the

Budget are known. However some traders with leading UK banks suggested that yesterday's reversal was just a pause for breath. A shake out in cross currency positions and Thursday's reputation of being profit-taking day, were not suffi-cient reason to herald a basic change in sentiment, they added. Speaking after Mr Lawson, Mrs Margaret Thatcher, the Prime Minister, stressed that the primary objective was to keep infla-

mary objective was to keep inna-tion down.

Against this background, ster-ling's bullish undertone appeared to be largely intact, given this strong commitment by the Gov-ernment to try and contain infla-

The pound closed at \$1.8425 down from \$1.8475 and DM3.0675 compared with DM3.0825. It was also lower against the yen at Y236.0 from Y236.50. Elsewhere it slipped to SFr2.5400 from

### £ IN NEW YORK

Mar 10	Lintess.	Previous Close
£ Spor	1.8415-1 8425 0.32-0.30cpm 0.97-0.93pm 3.53-3.43pm	1.8460-1.8470 0.31-0.30pm 0.97-0.94pm 3.50-3.40pm
	is and discounts and	ty to the US dollar
	Mar	10 Previous

### **CURRENCY RATES**

Mar 10	Bank rate	Secol * Drawing Rights	European Currency Unit
Sterletg U S Dollar Canadian S	875	0 745307 1.37360 1.72140	0.672747 1.24088 1.54202
lastrian Sch	3	16 1082	14 5345
Belgsan Franc	6½	47.9661	43 2913
lanish Krone	75	8.76838	7,92924
Deutsche Afark	26	2.29281	2,06855
Leth Guilder	34	2.57481	2,52360
rench Franc	95	7 78714	7.05442
Laivan Lera	125	1693 42	1532.80
Japanese Yen	25	175 958	1581.672
ormay Krone	7.	8 67428	7.85417
osarsa Peseta		153 768	139 103
sersisi Krona		8 14820	7.34789
rece Drace	20.2	1.89557 183.815 0.85639	171180 166117

**CURRENCY MOVEMENTS** 

Mar.10	Basir of England Index	Morgan <sup>ca</sup> Georgesty Changes <sup>ca</sup>
tering 5 Dollar medias Onliar midias Onliar midias Schiller mi	77.1 93.6 80.1 101.0 93.9 157.4 139.5 71.6 239.4	-1629 -788 -788 -788 -788 -789 -789 -789 -78
Morgan Guaranty che	oges everage 1	80-1982 <b>- 10</b> 0

OTHER CURRENCIES

	1 =_ :	
Argentuma Australia Brasil Brasil Firland Greece Hong Kong Irad KorentStor Kumoni Lucembourg 22 Jalysta Mereco N Zealard Sandi Ar Surgeoure S Af (Con) S Af (Con)	11 5555 - 11.6540 2 5270 - 2.5300 191 90 - 193 05 7 3730 - 7 4155 244 56 - 249 75 14 3705 - 14.3875 123 07 139 25 - 1401.80 0 50050 - 0 50050 0 50050 - 0 50050 0 6005 - 0 7050 0 7050 - 3 7050 0 7	6.2700 - 6.3200 1.3705 - 1.3715 1.94.15 - 1.94.70 4.0150 - 4.0170 1.92.80 - 115.65 7.8005 - 7.8025 66.507 754 10 - 760.30 0.27445 - 0.27475 34.80 - 34.90 2.5255 - 2.7855 2.772.00 - 2.882.00 2.18
Sandi Ar . Sippapore	6 9100 - 6 9165 3 7076 - 3 7130	3 7505 - 3.7515 20120 - 2.0140
UAE	6.7665 - 6.7720 "Seltion rate	36725-3,6735

**MONEY MARKETS** 

### A firmer tone

THERE WAS a slightly firmer Bills maturing in official tone to interest rates on the Lon-don money market yesterday, as dealers took a defensive view. hills drained £256m, with a rise in ahead of next week's Budget.
Three-month interbank rose to 9-8% p.c. from 815-813 p.c.

Three-month interbank rose to 9-6% p.c. from 813-813 p.c.

The market was generally confused about the attitude of the authorities to sterling, after the Minister and yesterday's remarks by Mr Nigel Lawson, the Chancellor.

A dealer at a major discount week's securities repurchase bouse said, it is a matter of if in agreement tender. The central UK clearing bank have leading rate 8 per cent from February 2

doubt do nothing. Next week will provide guidance from the Budget and several UK statistics, including money supply and bank lending figures for February at the Daris fixing. At

ary on Friday. Credit conditions remained very comfortable in London. The Bank of England initially fore a total of FFr53 4bn against first cast a money market shortage of category paper. This compared \$160m, but this was revised to a with FFr48.1bn leaving the marflat credit position at noon.

flat credit position at noon.

The authorities did not operate in the market before lunch, or in Reserve added temporary

Overnight interbank traded around 8% p.c. in the morning, but fell to I p.c. as money became freely available, before closing at

unwilling to make any firm decisions before next week's release a switch back into D-Marks.

of US trade figures for January:

Before then, today's figures on large scale selling had started in US retail sales and producer prices may provide some stimulation.

The dollar closed at DM1.6550 D-Mark. The absence of large from DM1.6680 and Y128.10 from scale support from the Bank of Y128.0. It was unchanged against the Swiss franc at SFr1.3790 and finished at FFr5.6675 from would be allowed to fall.

FFr5.6500. On Bank of England figures, the dollar's exchange rate index closed at 93.6 from 33.5.

Meanwhile the D-Mark trading volume was rather thin improved strongly against the French franc in a move which took most traders by surprise. The Bank of France sold D-Marks at the fixing in Paris but this failed to prevent the franc from the EMS, and the size of falling to its lowest level since early December last year.

The D-Mark was fixed at after the French Presidential elections in May could be on the FFr3.3990 in Paris, up from elections in May could be on the FFr3.3900 mid-day. Dealers from DM29.52 at the opening.

	Ecs costal rate	Carrency amounts against Ecu Mar.10	% change from castral rate	% change adjusted for divergence	Sherpers: limit. %
igian Franc	42,4582 7,85212 2,05853 6,90403 2,31943 0,768411 1483,58	43.2913 7.92924 2.06855 7.05442 2.32380 0,775400 1532,80	+1 % +0 98 +0 49 +2 18 +0 19 +0 94 +3 32	40.83 40.64 +1.05 4.94 4.72 4.72	±1.5344 ±1.5404 ±1.0981 ±1.3474 ±1.5012 ±1.6484 ±4.0752

reach Franc Outch Golider rich Pont Lasian Lira	6,90403 2,31943 0,768411 1483,58	7 05442 2 32380 0,775600 1532,80	+218 +019 +0.94 +3.32	-105 -0.94 -0.19 -2.72	±1.367 ±1.501 ±1.668 ±4.075
Dianges are for Eco, therefor adjustment calculated by Fin	r pesiline change Recui Times.	denotes a week	ament)		
POUND SPOT-	FORWA	RD AGA	NST TH	E POUN	Ð
Mar.10 Day's		<b>.</b> 0	e mosts	* 7	he.

POUND	SPOT- FO	IRWARD A	GAINST T	HE P	CUND	
Mar.10	Day's spread	Clare	One morts	På.	Three . words	P3
US	18375-18470 23165-23347 3.444-3.445- 64.10-64.52 11.793-11.773 3.065-3.085- 251.08-252.08 225-9-227.07 22754-22805- 11.644-11.684- 10.633-10.475-	18420 - 18430 2 3350 - 2 3360 3 444 - 1654 6415 - 64.25 1175 - 1176 3 1654 - 3 107 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	0.31-0.28cpm 0.966-0.04cpm 15-1cpm 31-6cpm 4pm-1cm/sis 15-1cpm 101-16-16m 32-5-6cfs pm-8krefs 44-4-cpm	192 457 280 104 5137 250 251 257 101	0.94-0.89pm 0.40-0.24pm 45-33,pm 45-33,pm 200-1.54b 43-33,pm 308-415b 517ds 154-154 ds 23-24pm	15571 280 438 438 538 537 537 547 647 647
Sweden	10.90½ - 10.93½ 235¼ - 236¼	235½ - 236½ 235½ - 236½	4-14 creds	-0.89 4.23	14-24ds 3-24pm	4.45

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

22.10	Day's spress	Clase	One month .	1	Three months	,
ÜKt	18375-18470	1.8420 - 1.8430	0 31-8 29cpm	1.92	0.94-0.89pm	· 1
freizadt	1.5980 - 1.6045	1.6010 - 1.6020	0.10-0.0500	0.56	0.38-0.28bm	ŀQ
Canada	1 2555 - 1,2507	12560-12570	0.12-0.21d/s	l -1.86	0.53-0.56ds	1
Herbertants	12673-12795	1.8705-18715	0.46-0.44aaa	288 .	2.34-7.37em	Ž
Selgiam	34.80 34.96	34.60 - 34.90	4.00-1.00:00	0.91	10.00-5.00em	O.
Denmark	6.36-640	6.374 6.384	0.75-1.35cmds	-197	2 90-3 604s	Įį
W. Germany	16615 16720	16645-1665	0.50-0.47n(sm		147-142m	ĪŠ
Portugal	134 137	1365-137	80-110ess	.65 -85	230 2906	. :
	111.78 112.14	111.80-111.90	35-45cds	172	230-25-08:	7
Spale				7.5		-
taly	1231 1238	12354 - 12574	3.40-4.90thras	409	10.80 13.80%	-3
Herrey	631-6344	6.724 - 6.734	380-4_10eeds - 4	-748	11.60-12.00ds	-7,
FRIEZ	5652 569	3.66-2-5.67	0.35-0.55085	-0,95	. 1,50 1,50gs	-1,
Sweden	5,915-8,93	5924-5924	1.25 1 Cores	273	380-429/5	- 2
Jacobs	127 10 128 26 1	128.05-128.15	0.27-0.24mm	2.39	l: 0.83-0.78cm l	. 2
Austral	11.68-11.741	11.694 11.694	3.50-2.50 moore	3.07	9.00-7.00cm	. 2
Serious lassi	1.3760-1.3815	13785-13795	0.60-0.55000	5.00	1.64-1.64cm	4

**EURO-CURRENCY INTEREST RATES** 

Mar.18	Shert.	7 Days notice	Dec Month	Three Morets	Sk: Moetks	One Year
erting 5 Douber n Delitar Gerider Franc Franc Franc Franc Fr (Franc Fr (Franc Fr (Franc Fr (Franc) Fr (Franc) Fr (Franc) Gerider Fr (Franc) Fr	714-77, 64-64, 65, 64, 64, 64, 64, 64, 64, 64, 64, 64, 64	84.8 67.64 84.82 2-14 34-34 125-115 64-64 64-64 34-34 9-85 64-64	8H-8E 6H-6E 51-54 1H-1H 34-34 1H-1H 6H-6 4H-6 4H-4 91-85 6H-6 6H-6	9-82-63-63-63-63-63-63-63-63-63-63-63-63-63-	9. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	9474-8442-145-1444-144-144-144-144-144-144-144-14

Mar.10	£	5	DN	Yes	FFr.	S Fr.	#R	Una.	2.5	8 F
£ \$	1 056	1.803 1	3.068 1.565	236.0 128.1	10.44 5.665	2.54ô 1.378	3.448 1.671	2273 1237	2316 1257	64.2 34.8
CAN YEN	0.326 4.237	0.601 7.809	I 13.00	76.92 1000	3.405 44.24	0.828 10.76	1777 1734	742.8 967	0.755 9.814	20.9 272
F Fr. S Fr.	0.958 0.394	1765	2.939 1.208	226.1 92.91	10. 4.110	2433 1	3.363 1.357	2183 897.2	2218 0,912	22
# FL Ura	0.290 0.439	0.535 0.809	0.890	68.45 103.6	3.028 4.561	0/3/ 1115	1513	661.0 1000	0.672 1.006	25

### Yes per 1,000: French Fr. per 10: Lifez per 1,000: Belgins Fr. per 100.

bank provided funds in excess of

an earlier expiring agreement, in order to help the market through

an approaching tight period In Paris the Bank of France

support at the Paris fixing. At yesterday's securities repurchase tender the central bank allocated

reserves to the banking system.

via \$1.5bn of customer repur-chase agreements, when Federal funds were trading at 611 p.c.,

compared with an average of 6.59

p.c. on Wednesday.

To fixing sates are the arithmesic enesses counsed to the namest one-statement, of the bid and offered mass for S. y the market to five represent basis at 11.00 a.m., each working day. The basis are Maximusi Westmissier Sa days, Devision Back, Busque Maximusi de Paris and Morgan Guaranty Trust.	filmesis, means commed to the measure one-stonesth, of the bid and offered rates for SIDm retter basis at 11.00 å m, each working day. The basis are Madontal Westminster Bank, t because Entoned de Paris and Morgan Guaranty Trust.
IONEY RATES	

NEW YORK (Lunchtlime) Prince rate Broker logo rate Fed fearls Fed fearls Fed fearls at intervention	- 2	Dec smooth	Treasury B	1/Is and Bor 5.02 Tirte 5.58 Fee: 5.91 Five; 6.14 See: 6.68 10-re 7.24 30-re	)67 67 107	
War,10	Oversight	Ose Megih	Two Months	Tirte Months	Siz Matths	Loc
Parkint	320-330 72-73	3303.6 76.78	3,30,3,45 75-71	355.350 75.73	335355 74-8	4

Mar.Jū	Oversight.	7 days Malice	(lee Mosth	Tiege Moetis	Siz Manths	Year
isteek (Ker	8½	93	製	,	94	93
wtask Bid wiles Cits	4 1 I	9	884 884 884	83 84 84 91 <sub>2</sub>	97. 97. 97. 97.	25
cal Authority Dess	'l i l	84	能		1 7	1 25
cal Authority Bonds	1 . (	-	( <b>%</b>			{ 22
rmet Mit Dees.	ا قا	9	! !	<u>"</u> "	77	. 7
noan Deneks	-	81	انسا			91
many property		-	32	82	39	1 17
HENRY BIRS (Boy)	. i		84, 85, 85,	9 83, 85,		1 74
et Bills (Bur)	1	`-	1 22	82	87 696.85	! -
n Trade (IBUs (Bus)	ו - נ	<b>-</b> ·	ÌĞ	95,	캢	I -
Har (20s		. ·	6.70 6.65	6.70665	690685	7.10-7.0
ــــ Orj Offer عندوع ۾		-	54	519	64	64
R Lipides Dep 614	4 - 1	•	5% 5% 64	55	61g 51g 61g	6∑
U Linked Dep Offer	4 • !	-	1 64	i 62 1	64	65
d Limber Den Bld	.} - }	-	1 62	43	ĀĀ.	44

### FINANCIAL FUTURES

### Gilts suffer profit taking

Prime Minister's view of the situation. It was also pointed out that the Bank of England is maintaining a discreet silence at present. Long gilts for Jime delivery opened unchanged at 122-21 on Liffe, and fell to a low of 122-04, which was just one tick lower than Wednesday's low. It closed at 122-08, compared with 122-21 on Tuesday, as traders were tempted to take profits ahead of the Budget. This was encouraged by sterling's setback against the D-Mark, following Mr Lawson's remarks.

2.00 2.00 13.00 10

stressed the Government's antiinflation policy, and were
regarded as good for gilts, but cellor is trying to talk the pound
dealers also mentioned that the
views of Mrs Thatcher and Mr in the Budget, but that this does
Lawson on the immediate future not appear to square with the

£25,640 (	70 PH (	20			
Strike Price 170 175 180 185 190 195 200	Calls-set Mar 1420 920 420 22 0	Apr 1420 498 213 67 15	Pets-52 Mar 0 0 104 582 1082	Apr 4 26 115 330 684 1132	

istinuated volume total, Calls 4 Puts 10 Perious day's open lat. Calls 392 Puts 747 PHILADELPHIIA SE 4/5 OPTIO 622,500 leads per 47)

.CHICAGO

17102	Magar .	ACC .	14.54	- 354	
1,700	14.15	14.15	14,15	14.35	-
1.725	11.65	11.65	11.75	11.90	-
1.750	9.15	9.25	9.50	9.80	-
1,775	6.65	7.00	7.50	7.95	-
1,800	4.15		5.75	630	9.05
1825	1.60	3.55	4.25	490	Õ.15
1.950	0.30	230	3.05	3.70	175
			s 469,50		
Production 1			1107.20	Pus 18,7	75027
riemus.	nit a som	, Laib	17,203	Lies 16's	07

LONDON (LIFFE) 28-YEAR 12% WITTOWAL GELT 538,680 32-45 of 186%

Mar Jap	Close 122-17 122-08	指数 122-27 122-23	Low 122-18 122-04	Pier. 122-29 123-21
Estimated Previous d	Volume 2585 ay's opto lot,	4(29671) 297923	L281)	
7-10 YEAR 550,000 3	2 9% NOTES 2005 of 1007	WL CILT	•	
Mar	77-14 97-04	High 97-19	97-14	Pres. 97-22 97-12

Previous day's open let. 35368/36147)				
FT-SE 140 I £25 per fall	MINEX Index point			
<u>War</u> Jun Sep	183.50 185.50	High 183.60 1 185.50 1	Lew Pro 81.80 182.8 84.20 185.1	
Estimated Vi Previous day	olanne 1441(1 's open lert, 8	330) 787(3536)		

Des	125 ·	92.35	92.2
Est, Vol. Cinc. Previous day's	figs, not ! opes inc	stern) 78 34712(34	44537 0439
85 TREASURY \$190,000 325	# 10HBS (	1% %	

CURRENCY FUTURES

IFFE-STERLING £25,000 \$ ptg £ hane 27(30) • noem int. 285(28\$)

MIN-STENLING & per &

1-min - 3-min, 6-min, 12-min, 18996 1,8334 1,8224 1,808 Low 1.8425 1.8315 1.8250

		white	- Porth	Months	Months.	Year
bank Offer	812	93		9	97.0	93
	l :		雑		. 70	i 33
Authority Dess	. a	8k	ا ≨قا	85 85 85 85	] ;	95
Authority Bonds			· •	91	94.	ýš.
met Mikt Dees			1 :	😘	•	
en Depelts	8	81	8L	9	9a -	91,
are House Decouits			95 84	87, 85,	32	33
early BIRS (Boys)	-	ͺ•	85	85		-
Bils (Bun)		- 1	62	62	8) 1904.85	-
(446 (MF (BPA)			94,	6,70-6 es	94	
r CO5	- i		6.70_6.65	6,70-665	6.90-6.85	7.10-7.05
Lephad Dep Offer	- !		53.	200	61 51 61	94
Lipios Dep Bld		- 1	53	! <del>?</del> \$ !	53.	94
Linked Dep Offer	•	-	64	<u>0</u> 4	99	95
United Dep Bld	ليينيا	ليسيني		94		97
months 813 per cent; to	t-control of the	cod, gast in	ombağı, per o	nt; Bank Bills	(\$6)(): <del>dae jao</del> n	p 8% de cost:
SHOUGH RES ON COST.	Intalen BullC	wersye teater :	rate of discount	8.7686 p.c. EC	6D Flore Rate	Sterling Export
te. Mate unday Febru	17 ct . 1988. I		Scriod March 26	. 1988 to April 2	5, 1988 Schis	ne I: 10.45 p.c.
as 1 & H: 10.56 p.c	क्षायात स्था	TOT PERSON JAME	39,1989 to Fe	神(1) (2), 198	I, School (V. 9	Sen br ress
ority and Figure: House Bank Depose, Ranes (	والإيراق المناجع	TIRE, 99955 95	PER SANS PURPLE.	a nizerate jubitates	State State 93	
'000 Sup over pelg ea	der dem ercett	The for rest o	Lad be corre		TE NEWSOL CAS	TOD OF CHARGE
			er ure guide	000 7	THE PARTY NAMED IN	Marie Cont

### Are You On The Right Wavelength? WAVE ANALYSIS

Latest issue now out projecting stock indices, currencies, interest rates, commodities and shipping

For further information please call/write to: A.P. Black Ltd. 30 Hill St. London WJX 7FU 01-629 901]

BLOCKED FUNDS

We purchase and sell blocked funds worldwide. Does your Co have currency/bonds in foreign countries? Will pay top dollar/fast executions. Brokers protected.

SWISS TRADE GROUP USA Telephone: (516) 325-1202 Fax (516) 325-0957

A FINANCIAL TIMES INTERNATIONAL CONFERENCE

### -A PERSPECTIVE OF THE NEXT 5 YEARS

12 & 13 April, 1988 Hotel Inter-Continental, London

For information please return this advertisement, together with your business card, to: **Financial Times Conference Organisation** 

2nd Floor, 126 Jermyn Street, London SWIY 4UJ Alternativery, telephone 01-925 2323 telex 27347 FT CONF G Fax: 01-925 2125



-A PERSPECTIVE OF THE **NEXT 5 YEARS** 

12 & 13 April, 1988 Hotel Inter-Continental, London

FINANCIAL TIMES Financial Times Conference Organ 2nd Floor 126 Jermyn Street London SWIY 4UJ Alternatively, telephone 01-925 2323 telex 27347 FTCONF G

Fax: 01-925 2125

I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W OBD Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO

FT 30 FTSE 100 Mar. 1467/1479 +5 Mar. 1831/1843 +11 Jun. 1483/1495 +4 Jun. 1851/1863 +9

# WORLD VALUE OF THE DOLLAR BANK OF AMERICA GLOBAL TRADING ECONOMICS DEPT., LONDON

The table below gives the latest available rate of exchange for the U.S. dollar against various currencies as of Wednesday, March 9, 1988. The exchange rates listed are middle rates between buying and selling rates as quoted between busis, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bask of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume

CURRENCY

Bank of America Global Trading, London, New York, Tokyo, San Francisco, Los Angeles, Toronto. 24-hours a day trading capability. Enquiries: 01-634 4360/5. Dealing: 01-236 9861.

COUNTRY

63 63 Eurodollar Libor: VALUE OF CURRENCY

6 months

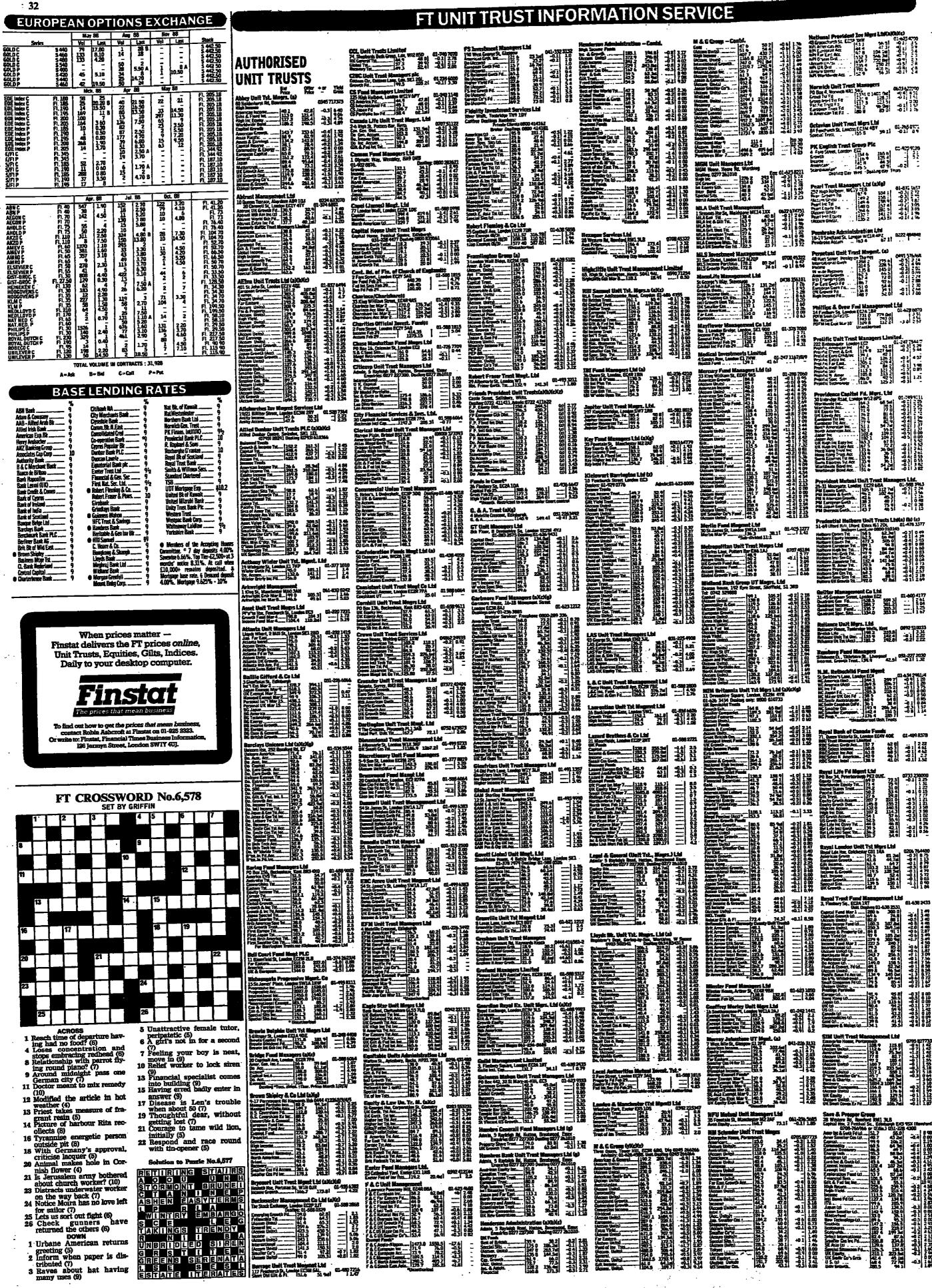
7

VALUE OF DOLLAR

6.3863 2.70 5.659 1.00 (1.006a) 2.556, (440.00 300.00 650.00 (10.00 20.00 17.5939 1.00 0.8881 Let Diar French Franc Späeish Peseta Kwanza E. CarribeanS Austral Floria French Franc (j) Peso Dollar Dollar (a) (33.00 72.407 1.4079 1.4079 381,97 1.30 1.30 1.60 1.60 1.60 1.805 2.70 2.70 1.805 2.70 5,00 2,00 7,802 47,683 Goude Lempira H.K. S Forint 1.00 0.3769 112.07 31.03 2.0113 (34.958) 35.06(0) 2.00 2.00 12.89 (2.25) 1.73.72 2.015 0.827 2.015 0.827 2.029 6.2029 6.2029 6.2029 6.2029 icetandic Kro Indian Rupce Ruplah Riai franj Ofnar Punt Shekel Lira C.F.A. Franc Pula Emzade Bresets Let C.F.A. Franc Seychelles .. Sierra Laune Guilder Liliangeni Kronz Franc Pound (o) Oollar (o) Shitting Baht C.F.A. Franc Pa'maga Dollar Dinar Ling US S Australian De Australian De Poped (a) Pound (d) Colon C.F.A. Franc Ethiopian Rig Local Franc French Franc Tugrik E. Carlobean Decish Krone Fiji S Markka 2.1441 1.3702 21.00 1.877 1.79 1.4899 10.00 282.95 4,23426 6,3135 Franc C.F.A. Franc Local Franc C.F.P. Franc 368,00 1.00 1.00 Rial Oman

rs per Hational Corrency mait. (a) Parallel rate. (a) Official rate. (b) Flom Floating tourist rate. (i) Public transaction date. (b) Auricultural worker

7%



### T UNIT TRUST INFORMATION SERVICE

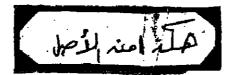
PO Box 902, Edistorate EA16-58U 031-668-3724 Waverley Asset Management Ltd (a) (c) (d) Pro Eq. Acc. 221-8 322-4 -221-544 Waverley Asset Management Ltd (a) (c) (d)	Appendix   Column	Compared Agriculturation
Sentinel Funcis Magness List   30 City Road Leader ECLY 2AY   01 439 6011   2 Honey Land. Leader ECLY 2AY   01 439 6011   2 Honey Land. Leader ECLY 2BT   01-605 3132	Variation   1977   1978   1979   19	## Can   16.5   11.5   1
Seminary   Management   1.66   Management   Management   1.66   Management   Managem	Tensor   19.0   19.7   19.0   19.7   19.0	A
31 Harri Treet Managers Ltd 31 Harrer fel Scillout, 591, 304 32 Harrer fel Scillout, 591, 304 33 Harrer fel Scillout, 591, 304 34 Harrer fel Scillout, 591, 304 34 Harrer fel Scillout, 591, 304 34 Harrer fel Scillout, 591, 304 35 Harrer fel Scillout, 591, 304 36 Harrer fel Scillout, 591, 304 36 Harrer fel Scillout, 591, 304 37 Harris Managers Ltd 37 Harrer fel Scillout, 591, 304 38 Harrer fel S	The Parts BECOM   127.0   129.	Dec.   Across   10.7

34



	DRAPERY AND STORES—Contd ENGINEERING—Contd INDUSTRIALS (Miscel.)—Contd Industrials (Mi
AMERICANS — Contd  1947/88  1948/88  19	1987/88   1987
374   15-   105	461 233 Westernik Huts. 285 41 18.0 23 3.8 12.7 200 10.0 Castings 100 23 3.8 12.7 200 10.0 Castings 100 23 3.8 12.7 200 10.0 Castings 100 23 3.8 12.8 40 10.0 6.3 12.8 40 10.0 6.7 315 42.1 200 10.0 September 100 100 100 100 100 100 100 100 100 10
691b 226p ABM Geld Corp   226p -33	**************************************
609s 1866   BP-calvater RES   2239   1-13   3105   1-15   38   Millier Stan 10p   76   123   1.1   2.3   2.1   1.1   1.7   1.1   2.3   2.1   1.1   1.7   1.1   2.3   2.1   1.1   1.7   1.1   2.3   2.1   1.1   1.7   1.1   1.5   1.2   1.1   2.3   2.1   1.1   1.5   1.2   1.1   2.3   2.1   1.5   1.2   1.1   2.3   2.1   1.5   1.2   1.5	8 642 305 Hapfelf species 53 346 -2   1   1   2   2   3   3   3   4   2   3   3   4   4
246g	20 E5 Shortand bed lite 106 -2 (2x 2x 1 1 0 45.8 26 111 54.8 26 11 54.8 26 11
#600 240 ymm. dem see 5 \$769 45 606 4.6 138 87 Smart (2) 101. 330 45 mil. 75 2.7 2.2 15 104. 365 ymm. dem see 5 \$769 45 104. 365 ymm. dem see 5 \$760 45 104. 365 ymm. dem see 5 \$76	25 120 Engel Text 100
73.0 2359 Nonera Gold Gerpl	1.9   199
1987   188	5.7 2.215 80 Belectron House Mp. 133ml 23.6 1.5 3.7 25.4 65 287 Robinson (Tons.) 122 -1 94.99 2.7 5.218 0.9 Belectron House Mp. 133ml 23.6 1.5 3.7 25.4 65 287 Robinson (Tons.) 122 -1 94.99 2.7 5.218 0.9 198 108 0.0 89.0 0.0
86 66 Bank of Wales. 63 4,22 4 22 53 120 312 135 Carsteq W.J. 200 44,0 25 27,1 3,6 12 6,5 5,0 12 135 Carsteq W.J. 200 4,4 0,2 52 7,3 6,1 12 12 12 12 12 12 12 12 12 12 12 12 12	152 67 Ferrard 100 200 152 153 133 133 113 113 153 134 113 153 153 134 113 153 153 134 113 153 153 134 113 153 153 134 113 153 153 134 113 153 153 134 113 153 153 134 113 153 153 134 113 153 153 134 113 134 135 135 135 134 135 135 135 135 135 135 135 135 135 135
First Par. Hite. 50c.   38   -3   22.312   6.4   4.3   3.4   5.8   5.9	340 146 Heatyris Group 59. 257 -3 2.1 5.9 1.1 1.2.0 68 27 WA Hidgs 108. 25 4.1 1.1 27.5 5.9 6.1 1.1 3.9 90 Rooser (Mars) 109, 1254 -1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1
57 305 Lee Stat Bask 109 36 7 136 137 137 137 137 137 137 137 137 137 137	21   575   11.0   industria   10.   12.0   industria   10.   industria
\$\frac{1.17}{1.52} \frac{1.27}{1.52} \frac{1.27}	135   135
Hire Purchase, Leasing, etc.  400 150 Anglo Lessing 109 182 +1 1.26 6.3 2.0 11.1 533 Allehone 109 115 48.4 -6.5 132 1.4 Annor 109 125 1.7 1.4 490 27 2.0 25 1.7 1.4 590 27 2.0 25 1.4 590 27 2.0 25	- 528 122 Note to Con Printing 155 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
BEERS, WINES & SPIRITS  471 290 Miled-Lyors. 375 +7 111.4 2.4 4.2 11.7 12.6 2.6 2.0 4 11.8 1.7 2.0 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1.2	10.5   62.6
145-2 101 Dt. 5. Septiment 1 116 2 5. 95% 70 - 70 - 60 24 200 Bertat 0.0 109 37 -1 140.86 5.3 2.5 494 229 Ereste King	23   277   224   Piter Hides, 220   23   24   24   25   25   277   224   25   277   224   25   277   224   25   25   277   224   25   25   277   224   25   25   277   224   25   25   277   2
154 110 Marston Thompson. 117 v. 255 3.1 3.0 14.8 225 11.5 Execute 218 124 -1 14.3 c 2.4 2.4 45 229 Melerystown Wise. 389 v. 7.9 4.1 2.2 14.1 351 184 Fine Art Dev. 50 228 15.5 2.5 3.3 3.7 1.9 1.9 3.7 1.9 1.9 184 Fine Art Dev. 50 228 15.5 2.5 3.3 3.9 184 Fine Art Dev. 50 228 15.5 2.5 3.3 184 Fine Art Dev. 50 228 15.5 2.5 3.3 184 Fine Art Dev. 50 228 15.5 2.5 3.3 185 2.0 3.4 20 207 Forminste 100 225 17.5 2.5 3.3 3.0 185 2.0 3.4 2.0 1.0 1.0 2.0 2.0 2.0 4.0 1.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2	13.6   349   184   Read Electronics   226   212   23 3 4 2 18.6   33   34   34   34   34   34   34   3
BUILDING, TIMBER, ROADS  514 120 4655 A. 114 120 4655 A. 114 120 29 4.5 113.0 255 175 180 180 180 180 180 180 180 180 180 180	17.7   21.7   55   States 10s.   115   42.2   3.1   2.6   13.5
160   68   168 met Nome 109   101   -1   102   102   104   103   104   105	10.6   206   108   Star Comp. 109   109
38   11 Survett & Hartinn 289	S   25   175   United: 100
120 81 Do Styc. h De He Pt. 97 -1 Styc7.6 - 43 38 bb. 31-gott. 1248 43 18 bb. 31-gott. 1248 45 bb.	214.9 ENGINEERING INDUSTRIALS (Miscel.) 95 32 Keinsylatia. 132 49 372 228 Legal & Sensor 223 49
42 18 Edmond Hidgs 10p. 27 27 28 19 5 42 5 31 6 4 2 19 5 19 6 4 5 19 6 4 5 19 6 4 6 1 17 7 19 19 19 19 19 19 19 19 19 19 19 19 19	3 24.4 55 9- WAI-This lock 59 24.0 1.9 5.2 13.5 503 1901 00. Cor Red PW 54.6 12.2 13.6 7.6 11.6 2.7 12.5 11.6 45.8 kg. 5.1 12.2 14.9 12.3 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12.5

**36** .



				AND DAD DOLL	MINES-Contd
1967/86   Starty Holes 200.   1914   -1   1947/86   Starty Holes 200.   1914   -1   1947/86   Starty Holes 200.   1914   -1   1947/86   Starty Holes 200.   1914   1915	PAPER, PRINTING,  ADVERTISING Control  1967/89 Stack Price	TEXTILES—Control    1987/108	TRUSTS, FINANCE, LAND — Control  1907/80  High Law Stack Pring — Biv Core Sri- 111 83 Pharazina Treat 90 125 135 Precion Metals Tst. 90 126 116 Prinadom — 48 43 43 0.55 2.0 0.5 126 116 Prinadom — 48 43 43 0.55 2.0 0.5 128 76 Relawin — 80 20 43 41 1.5 1.1 5.1 121 87 Do lee 500 — 14 1.5 1.1 5.1 122 50 Do lee 500 — 18 500 — 18 1.5 1.1 5.1 123 50 Do lee 500 — 18 50	Off AND GAS — Control  1997 104	1987/88
35½ 9 8A & M Group 10s. 18 -2 1-2 1-2 1-2 1-2 1-2 1-2 1-2 1-2 1-2	PROPERTY	111   43   Shifters 10e   12   45   2.6   3.2   3.2   12.4     226   112   SEUT 20e   154ar   -2   5.3   2.5   4.8   11.5     196   109   Seleris 10r, 10e   128   +1   -2.65   47.2   8   9.3     173   78   Shifter   128   +1   -2.65   47.2   8   9.3     173   78   Shifter   128   +1   -2.65   47.2   8   9.3     175   32   Stortiard 10e   75   1.5   8.1   2.4   5.3   3.7   9.1     125   123   Text of 1.5   1.6   1.8   6.0   2.8   4.4   1.1     600   238   Text of 1.5   1.6   1.8   6.0   2.8   4.4   1.1     600   238   Text of 1.5   1.6   1.8   6.0   2.8   4.4   1.1     160   89   Totockiesoes   470   70   5.2   2.0   13.3     160   89   Totockiesoes   128   4.2   5.0   4.7   1.2     160   89   100   100   100   100   100     160   89   100   100   100   100   100     174   175   175   175   175   175   175   175   175     175   180   Yorkiyek 100   288   42   7.55   3.3   5.2   8.0	2164, Elet Revento NV F1.10 225 127 S. Andrew 19. 235 127 S. Andrew 19. 236 127 S. Andrew 19. 237 127 S. Andrew 19. 238 127 S. Andrew 19. 238 127 S. Andrew 19. 238 128 S. Andrew 19. 239 128 128 S. Andrew 19. 248 129 129 129 129 129 129 129 129 129 129	168   54   Potrucci 12/5p.   54   13/2   52/3   54   11/1   56   12/2   Potrucci 12/5p.   54   13/2   54   56   12/2   Potrucci 12/5p.   56   12/2   Potrucci 12/5p.   56   12/2   Potrucci 12/5p.   56   13/2   57   57   57   57   57   57   57   5	188   50
132 b   39   Grampian (VA 10)   45   -1   2.3   3.4   7.0   5.8	60 16 Bertele & Bertele 3 Bertele 4	TOBACCOS  709   382   BAY Ind.   395   43   114.3   3.5   4.3   7.8   6125   6107 4 Do. 12 top. 1.   1300.   621.5 A - 4   6024 76.26.4 (0.5)   - 7.7   4.6   2.5   9.7    TRUSTS, FINANCE, LAND  1987/82   Steak   Price   + or   bir   C-w   6.7    1987/82   Steak   Price   + or   bir   C-w   6.7    1987/82   Steak   Price   + or   bir   C-w   6.7    1988   1811   Alva (smeximus) Tried.   188   2.4   2.2   1.9    1988   1811   Alva (smeximus) Tried.   188   2.4   2.2   1.9    1988   1811   Alva (smeximus) Tried.   188   2.4   2.2   1.9    1898   1811   Alva (smeximus) Tried.   188   2.4   2.2   1.9    1801   1011   American Tried.   189   117   11.59   6.992.3    1801   1011   American Tried.   117   11.59   6.992.3    1801   1011   American Tried.   117   11.59   6.992.3    1801   1012   1013   American Tried.   117   11.59   6.992.3    1801   1013   American Tried.   117   11.59   6.992.3    1801   1015   6090 & 6.998   1001.   204   101.5    1801   1015   6090 & 6.998   1001.   204   101.5    1801   1015   6090 & 6.998   1001.   204   101.5    1801   1015   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015   1015    1801   1015   1015   1015   1015   1015   1015   1015   1015    1801   1015   101	39 10 warmans   712 -1 21.0 1.1 4.0 28 85 Sex. All space 18. 110 -2 0.33 6 0.5 8 65 Sex. All space 18. 110 -2 0.33 6 0.5 8 65 Sex. All space 18. 110 -2 0.33 6 0.5 120 120 120 120 120 120 120 120 120 120	10	85 27 Bulletis Ming. 105 135 0592 1230.2 135 105 Feating Ski 1 106 20300 6.8 130 75 Sangel Besi Ski 1 106 20300 6.8 170 90 Inspire 150 150 150 150 150 150 150 150 150 150
200   105   Medicalistic 10p.   25   25   25   31   1.7   2.5   32   1.1   2.5   32   3.3   1.3   3.3   1.7   2.5   3.3   1.3   3.3   1.7   2.5   3.3   1.3   3.3   1.7   2.5   3.3   1.3   3.3   1.7   2.5   3.3   1.3   3.3   1.7   2.5   3.3   1.3   3.	89 9 9 Davis Estates Sp 34 -1 0.3 92.11 111 58 the Horgan Sp 33 - 0.0 4.3 1.7 19.5 230 215 Diseases Sense Sp. 179 -1 13.29 2.3 2.4 2.7	101   323   Bailde Efford Japan.   498   +1   0.1   -1   0.2   0.2	313   255   Tot. Invest. Inc.   397b   12 117.48   12 7.8   12 7	PLANTATIONS  1987/88   State   Price   * or   Not   Con   RA	1987/88   11
179   97	17   22   32   13   13   13   13   13   13	205   59   Do. 100Wherrants.   114   114   115   125   126   127   127   128	75 67 bs. Sig Dan Pri Cl. 68	100   100	110   57   Sarder U   50   78   3   1   - 20   6   1   5   1   1   5   1   1   1   1   1
Components  450   330   Abber Pamis   425	465 245 Laim Properties. 227 45 245 245 17.5 465 245 Laim Properties. 247 45 252 245 17.5 5221 GUT b belt rate 260 45. GUT b 42 384 75 384 75 521 GUT b belt rate 260 45. GUT b 42 384 75 521 GUT b belt rate 260 464 465 465 525 250 Macal Lat Gr. Sp. 435 -5 17.3 1.9 2.3 324 525 250 Macal Lat Gr. Sp. 435 -5 17.3 1.9 2.3 324 531 345 Da. 6 by Cor Fr. 246 410 64 31 4.8 1.6 14.8 531 345 Lat	156 68 Estaburgi Am. 151	April   Apri	100 54   Marieurie 101.25	Unless otherwise indicatest, orioes and net, dividends are in peace and denominations are 25p. Estimated price/earnings nation and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. PJEs are calculated on "net" distribution basis, ennoines per store being competed on profit after taxation and overlieved ACT where applicable; bracketed figures indicate 10 ore out or more difference if calculated on "nit" distribution. Covers are based on "maximum" distribution; this competed groups dividend costs to profit after taxation, excluding exceptional profits/fosses but 'including estimated extent of forfestibile ACT. Yields are based an middle prices, are goods, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.  8
64 144 Attenueders 10p 22	C225   C105   In \$2.55ca. \$79.50.   135   C2.5   C2.5	20   111   Emergen American   12   12   14   15   15   15   15   15   15   15	5503   C544   Statuta lett.	147   Declinal Ro.20.   176   46   0656   177   925   931   196   177   196   177   178	Figures or report availed  Figures or report ava
NEWSPAPERS, PUBLISHERS  260   155   MACCORD PND 50   183   41   143   1   3   0   2   19   12   19   3   2   2   19   3   2   2   19   3   2   3   19   12   2   19   3   2   3   19   12   2   19   3   2   3   19   12   2   19   3   2   3   19   12   2   19   3   2   3   19   12   2   19   3   2   3   19   12   1   2   19   3   2   2   19   3   2   2   19   3   2   2   19   3   2   2   19   3   2   2   2   2   3   3   2   2   3   3	231 68 Paneth Fan, and Fan. 170	## 15   10   10   10   10   10   10   10	178-16771   10. 74 pcb 2800-16.   598	196	L.F., Belgian Francs, Fr., French Francs 65 Yield bassel on assumption Treasury Bill Rate stays unchanged multi maturity of stock, a Annualited dividend, b Figures based on prospectus or other offer estimate, c Cents, d Dividend rate paid or payable on part of capital, coner based on dividend on full capital, e Retemption yield. I first yield: a Assumed dividend and yield. It Assumed dividend and yield after sorth issue. I Payment from capital sources. It Kespa, m later im higher than presions total. It Rights issue pending y Earnings assed on prelimitary figures. S Dividend and yield excision a special payment. I indicated dividend cover relates to previous dividend, Pf evilo based on latest samual earnings. In Forecast, or estimated assumption dividend and yield exact on merger terms. 2 Dividend and yield based on merger terms. 2 Dividend and yield include a special payment. Cover does not apply to special payment.
766 218 News See: See: Dis	2 324 55 Southwel Prop. 50. 117 4 10 25 3.2 0.2 110 1 10 1 1 10 1 1 1 1 1 1 1 1 1 1 1	1924   229   Do. Step. Cop. Pref.   1924   7.5	200 173 Transmin. Srv. 50c. 215 3 (9.57) 1.8 2.6 12.9 170 70 Do. Warrank. 221 -2 5.8 6.5.8 (9.57) 1.8 2.6 12.9 170 170 Do. Warrank. 221 -2 5.8 6.5.8 (9.57) 1.8 2.6 170 170 170 170 170 170 170 170 170 170	1354,668 Does, Gold Fisich	-
90 43 #ATA Sciention 59. 48	100   100	53 11 Do. Warrant. 5 511 6 585; Do. 4-jec. In '94	129   28    Aran Engr 206	138   16   Macan Searthis 26   18	Arbacy tov 200
190   88   302   306   306   307	149   163   164   165	105   120   Mercins Francis   385   48   415   415   415   42   415	122   54   Cipte Petroleum   119   42   44   47   47   47   47   47   47	10½ 6 phragon Rs. 25c.   7 41   26   26   26 phragon Rs. 25c.   7 41   26   26   26 phragon Rs. 25c.   7 41   26   26   26   26   26   26   26   2	SFR.   10   RNM   35
123 41 Regreted for \$0.01. 175 560 216 Love 1-5 a 8 10p. 361 41 42 28 3.2 175 560 216 Love 1-5 a 8 10p. 361 41 40.2 29 2.9 3 170 120 1444 Mil. Reservid forap. 110 -2 11.2 2.2 1.2 2.9 3 1.2 2.2 1.2 2.2 1.2 2.2 2.2 2.2 2.2 2.2	148 54 Gold Fride, P. 27ge. 72 44 030c 1.880.71 1880.71 185 195 195 195 195 195 195 195 195 195 19	2 153 68 Do, Warrasts	485 290 Wilchel Net Ret. 275 42 40 Soil Pet S. 96 42 40 50 Pet S. 96 42 40 50 Pet S. 96 42 40 50 Pet S. 96 42 40 51 Pet S. 96	122   122    Great Victoria Gold   15       150   55   Witark Institutes 20c   40       156   22    Witark Institutes 20c   20    Witark Institute 20c   -2	Hanson

# Mar 17 Mar 18 Mar 28

Other oil stocks also blazed

higher as a rise in crude oil futures in New York encouraged

the re-rating of oil reserves.

Also playing a leading role in

the advance were the pharmaceu-

tical stocks, which feature in

most international stock portfo-

lios. Glaxo continued to forge

ahead as the market turned

increasingly optimistic ahead of the interim trading figures due

next week. Fisons attracted buy-

ing from Japanese and UK trading houses. Beecham held steady

as the market awaited today's

edition of The Lancet, which is

expected to bring good reports on

Eminase, the group's heart drug. Turnover in Gilt-edged securi-

ties was, by comparison with

equities, no more than moderate.

first half of the session, but

prices crumbled away at the

close as analysts scanned the

newstapes for details of the com-

ments from the Prime Minister and the Chancellor. The latter's

not sustain a further advance

against the DM found a ready

reception in the bond market. Short-dated Gilts eased very

FT – ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Thursday March 10 1988

9.66 8.99 9.56 9.31 19.51 19.51 19.51 19.51 19.51 11.53 10.55 11.53 10.55 11.53 11.53

14.05

| Index | Day's | Day's | Day's | Mar | Ma

1567.34 2073.83 1566.86 403.88 442.28 295.13 1283.85 1083.97

840.59 590.01 982.66

1826.96

359.28 1078.51 396.93

13.64 12.79 12.73 12.37 13.18 12.77 13.18 12.77 14.13 15.32 15.27 16.13 19.73 11.81 19.74 11.81 11.81 11.81 11.81 11.81 11.82 11.83 11.81

5.96 9.87 25.13

44.6 9.27 3.73 13.60 2.85 959.35 958.60 951.17 1848.74 44.3 9.48 5.70 13.14 36.27 1751.22 1735.74 1725.07 1739.77

5.67 | 1828.22 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 | 1828.25 |

882.13 876.40 888.64 978.67 449.38 453.87 449.17 377.45 1638.46 1632.92 1638.62 991.88

Mar 10

8.68 9.02 8.92 9.19 9.21 9.29 9.35 9.13 9.13

2.37 3.83 1.43 3.68

10.72 10.68 10.60

10.51

10.72 10.59 10.59

Syrs. Over 5 yrs. 5 yrs. Over 5 yrs.

(sbbtoxr) sign Aest

9-26 9-28 9-28 9-28 9-28 9-33 9-42 9-24 9-01

sector looked firm in the

SIGNS OF a slackening of upward pressures on sterling touched off a strong rise in the UK equity market yesterday afternoon. Turnover increased sharply towards the close as the international stocks moved up after Mrs Margaret Thatcher, the UK Prime Minister and Mr Nigel Lawson, UK Chancellor, had commented in Parliament on

sterling and interest rate policies. Government bonds, however, turned lower after the Chancellor had said that a further rise in the sterling/DM rate might not be

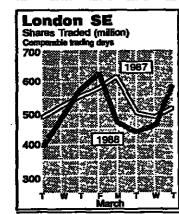
The outlook for the pound was beginning to worry both the City and also the Confederation of British Industries. Equities opened lower as sterling at first edged above its overnight rate against the German mark. But prices rallied and moved higher as the sterling rate slipped back again, and then gathered pace as

the session progressed.

At the close, the FT-SE 100
Index was 19.3 points up at
1834.6, virtually the top of the day. However, a more significant indication of the market's strength came from the Seaq turnover figure of 581.8m shares close behind the 618.4m record for the year, chalked up last

The soothing of worries about the pound's latest advance put the equity market back on track on Tuesday. Excellent trading results from Ladbroke, the leisure group which owns the Hil-ton Hotel chain, from TI and then from Rover, the car group attracting the interest of British Aerospace, all helped to keep the market buoyant.

But the strongest charge of excitement came from a yet greater burst of demand for British Petroleum, with the Kuwait Investment Office (KIO) following on the heels of the US and British



**EQUITY GROUPS** 

& SUB-SECTIONS

Metals and Metal Forming (7). Motors (13)
Other Industrial Materials (24)
COMSUMER GROUP (185)

| COMSUMER GROUP (185) | 1083.97 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1087.51 | 1

Electronics (32)... Mechanical Engir

Textiles (18). Agencies (1,9) ..... Chemicals (20) ....

51 | Oil & Gas (13) ... 59 | 500 SHARE INDEX (500).

1 5 years.

2 5-15 years ..

5 All stocks

3 Over 15 years...

4 Irredeemables.

49 INDUSTRIAL GROUP (487)

FINANCIAL GROUP (122)

Insurance (Composite) (7) ... Insurance (Brokers) (7) .... Merchant Banks (II)

**FIXED INTEREST** 

-0.86 123.31

-0.20 142.26

-0.07 168.71

+0.24 | 117.15

+0.21 117.63

. 151.39 | -0.23 | 151.74

138.33 -0.16 | 138.55

120.11 -0.05 |120.17

88.37 +0.34

123,24

141.97

168.58

227.69

Banks (8) ..... Insurance (Life) (8) .

Property (51) ....... Other Financial (30)

Investment Trusts (82) Mining Finance (2) .... Overseas Traders (8) ...

## Strong advance in equities led by heavy trading investors who have been active earlier this week.

in BP but Gilt-edged quiet

	Mar.	Mar.	Mar.	N=	Mar.	Year	195	7/88	Since Cor	mpilation
ł	10	9	8	7	4	Ago	. High	LOW	High	Low
Government Secs	90.53	90.68	90.53	90,59	90 24	89.89	93.32 (8/5/87)	83.73 (19/10/87)	127 4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.12	97.11	97.15	96.80	96.72	95.55	99 <u>.12</u> (15/6/87)	90.23 (2/1/87)	105 4 (28/11/47)	50.53 CJ11/5)
Ordinary 🕈	1472.3	1460.1	1457.7	1462.8	1478.7	1578.0	1926.2	1232.0 (9/11/87)	1926.2 (16/7/87)	49 4 (26/6/40)
Gold Mines	249 <i>.7</i>	248.0	242.2	242.5	239.7	331.3	497.5 (4/8/87)	234.0 (29/2/88)	734.7 (15/2/83)	43.5 (26)10/71
Ord. Div.Yield	4.38	441	440	438	4.32	3.71	S.E ACTIVITY			
Earnings, Yid, %Libil)	11.17	11.27	11.21	11.16	11.02	8.60	<u>_</u>	des	Mar.9	Mar 8
P/E Ratio (net)(3)	10.92	10.83	10.90	10.95	11.08	14.25		Bargains		161.2 210.1
SEAQ Bargains (Spm)	28,632	27,697	29,438	31,964	37,045	46,032	Equity Valo	ė	2751.7	1979.7
Equity Turnover (£m)	-	136L37	979.46	1111.11	1413.06	1438.92	5-Day avera	ige Bargalos	135.4	133.4
Equity Bargains	-	32,280	32,429	36,755	39,585	57,838		Mg	230.1	228.6
Shares Traded (mi)	-	448.1	.436.5	464.6	6184	602.3	Equity Vals	E	_ 25668	2553.0
♥ Opening 10 a	=1	11 a.m	7 52	p.m.	1 p.r		2 p.m.	3 p.m	4	p.m.
1454.4 145		1461.4		62.4	1463	]	463.2	1463.		66.0

Basis 100 Govt. Secs. 15/10/26, Fixed let. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S E Activity 1974, \* Nii = 10.82, \* Correction LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

The rest of the oil sector was view clearly had little affect in yesterday's bond market. set alight by BP's performance,
Index-linked Gilts flicked as well as the sharp rally in higher, adding about 1. How crude oil prices whichy were ever, the gains reflected the around 60 cents a barrel higher action of a single buyer, and were yesterday. Shell jumped 1/4 to consumer products group, gained not regarded as a significant sign \$\text{\$\ market remains focussed on the chances of an official tap stock announcement this afformation.

announcement this afternoon.

British Petroleum shares – in a 1987/88 high of 293p, and the partly – paid and fully paid form — were the day's outstanding Mr John Elliot's Elders IXL has performers as the heavy demand increased its shareholding of 2 earlier in the week was easily per cent. Elder's resident director surpassed by a huge buying proin the UK was unavailable yestergramme which saw 47m of the day but marketmakers believe a old" fully - paid and 74m of the further stake of 1% per cent or "new" partly-paid change more has been bought recently. hands. The "old" jumped 18 to Most certainty the sharp 277p and the "new" 10 to 83p, expansion in activity this week,

fter 84p. over 20m shares representing Kleinwort Grieveson, the major some 6½ per cent of S & N's supporter of BP stock over the equity have passed through the past two weeks, were said to system, suggests some form of have carried out the lion's share concerted action. And traders of yesterday's buying although currently think Elders is the strong demand was evident from buyer rather than Sir Ron Brierat least two other UK securities ley, the other down-under sharewave of US-sourced interest but

Tue Mar

2.09 771.09 772.94 775.49 852.41
0.05 1632.14 1632.95 1641.35 1635.76
3.62 1567.65 1595.68 1554.23 1685.23
1.20 2866.45 2977.44 2118.06 2055.28
8.21 1551.39 1564.00 1564.01 1971.28
0.96 482.15 483.27 482.52 475.33
0.97 482.15 483.27 482.52 475.33
0.98 461.91 691.85 464.24 459.18
0.71 291.44 291.35 291.99 322.46
4.52 1264.21 1287.24 1291.33 1468.56
1877.40 1673.39 1675.06 1181.66
4.24 1869.00 1285.54 1287.54 1187.28
2.30 855.15 648.53 854.50 874.79
7.15 7258.40 1230.94 216.25 2159.48
0.45 1312.34 1983.99 1894.73 2343.89
9.19 1259.65 1247.82 1253.99 1188.56
0.46 514.09 514.52 519.89 590.23
0.46 514.09 514.52 519.89 590.24
1.21 3590.72 3643.62 3628.49 356.57
1.41 839.00 844.03 844.77 1025.41
0.31 1643.65 1846.82 1857.23 1218.76
0.40 1918.18 194.95 194.73 124.41
1.80 1862.9 1165.14 1171.12 1404.83
1.80 1863.65 1846.82 1857.23 1218.76
0.80 961.41 977.92 978.38 957.91
0.54 1261.65 1199.91 1294.97
0.56 71 1291.65 1199.91 1294.97

Year ago

Land Securiti (\*513 )

Rolls-Roje (\*132 )

were increasingly of the view and firmed 5 to 270p on a turnslightly, shedding only about 16. At the weight of money pouring over of 3.8m, after news filtered At the longer end, however, losses ranged to 36. Selling was come from an institution such as to amend the US Orphan Drug light but some analysts perceived the official reminder that "the paramount object is to keep inflation down" as another indication if they are going to 29.9 per cent the US of Pentamadine, Fisons that domestic interest rates will and pretty quickly at that one be lowered, although the lowered, although the lowered although the lowered of the oil sector was ner for the group.

ner for the group.

Buying of Fisons was led by Robert Fleming Securities and by Nomura Securities.

turnover of 10m, Enterprise 14 to 5.8m shares following a recommendation from Kleinwort Griev-son; Mr. Ian White, head of the, Scottish & Newcastle went on pharmaceutical team at Kleinwort, has great hopes for the company's heart drug flose-quinan and thinks that potential

sales could top \$400m.

The British Medical Journal is expected to publish its findings on the drug within the next few

British Aerospace shares sprang into the limelight after Rover Group, which Aerospace plans to acquire from the British Government, disclosed its first operating profit for five years -"up to the most optimistic hopes", according to Chase Manhattan. At 385p, after 389p, Aero-space added 10 on turnover of 6.6m shares, while Rover eased 4

older. Rover's trading profit of £45m.
Fisons attracted early support in the second half of \*87, indicates

annualised earnings of about £100m available to Aerospace if the deal is made net of Rover's believe that the Aerospace chiefs, 146 aircraft to the Japanese commuter airlines.

year prompted a flurry of selling

Enthusiasm for Scottish &

Standard Chartered suffered another mauling as word that one of the leading securities houses was increasing its forecast of the bank's loss for the

This lowered Standard's share price to 445p at one point before a rally left a close of 8 down at remain extremely cautious of the stock after widespread forecasts of a major rights issue and of a possible dividend cut when the preliminary figures are

Newcastle spilled over to leading Brewery issues, although volume generally remained moderate. Guinness, which is forming a joint marketing venture in West Germany with Charles Hosie, a member of the Bacardi group, rose 7 to 316p while Whithread

LONDON TRADED OPTIONS

53 34 24

75 52

55 40 28

19

25

47 47

6 15 32

11 16 21

7 16 37

"A" gained a similar amount to 306p. Allied-Lyans went better late to close 7 higher at 375p but Fletcher Dennys closed 4 off at

turnover was only 1.3m shares. Interest in the Building issues remained highly selective. Stee-tley responded to a BZW recomendation with a gain of 5 at 330p but Taylor Woodrow encountered profit-taking and shed 7 to 423p. ICI reversed an initial decline

following a hunch with Kleinwort Grieveson, which resulted in a positive outcome, to close % higher on balance at £10%; Kleinwort expect further expansion over the next two years and feel that the group deserves a higher

Among only a handful of major movers in stores Coats Vivella dropped to 250p after announcing preliminary profits up from £181.7m to £212.8m, but well below estimates which had

topped £220m.

Ward White progressed to end
the session 6 harder at 323p after talk that the sale of the Zodiac subsidiary could well be immi-nent. A minor gain to 131p in Sears disguised a hreavy turndebt. Moreover, City analysts over in the shares where some 5m changed hands.

accolade of having the biggest turnover among the electronics issues with another 8.2m changing hands. The share price, unsettled on Wednesday by wor-ries over the \$15 bn law suit filed by Insat in New York, picked up to close 31/2 firmer at 250p.

Plessey attracted turnover of almost 5m with 2.5m traded in a single deal at 164p. Some 3.5m GEC changed hands and the shares hardened 1% to 157%p despite news that Flemings have lowered profits forecast for 1987/8 from £705m to £680m and that for 1988/9 from £750 to £735m; Flem-

for good gains in Phicom, 4 better ing, hardened to 4919. British at 58p - earnings rose from property acquisition news with a £403,000 to £1.81m. Cambridge Electrical added 8 to 220p and Synapse 10 to 315p. Late buying boosted Eurotherm 14 to 355p.

17 25 33 40

36 57 30 47

NEW HIGHS AND LOWS FOR 1987/88

The partial offer for a 28.5 per cent stake in Systems Reliability at 150p in cash from Hillsdown Investment Trust and Systems' recommended offer for Fletcher Dennys left Systems shares a stunning 48 higher at 145p but

Outstanding features in engineerings included Thomas Robinson 6 higher at 440p after profdits up 76 per cent to £12.32m. News of the JF Nash stake boosted Symonds Engineering 3 more to 47p, after 50p. Trs preliminary results showed profits up some 44 per cent to £62.3m - at the very top end of forecasts - but the shares held at around 339p.

slightly firmer on the day. United Biscuits, a highly charged market on Wednesday following a newspaper report that BSN of France had acquired a 5 per cent stake in the com-pany, held steady at 271p following a denial by the French food major that it had taken an interest. A negative Press response to the annual figures left Hillsdown Holdings 6 off at 296p, but traded option activity boosted J. Sains-

hiny 4 to 249n Ladbroke added 3 to 389p after revealing annual profits at the top end of market expectations Mr Bruce Jones, analyst at Kitcat Aitken feels the company is shaping up for a further strong profits performance and has mates for the current year by some 23m.

tracts came out at 19,757, comprising 15,251 calls and 4,506 puts. some 23m.

Grand Metropolitan firmed 6 to 497p following the annual

388p following a bid approach from an unnamed party; marketmakers were convinced that the approach involves a 380p per share offer from leisure group

Sharply higher full-year profits of put Willian Collins "A" up 21 to 510p but a cautious broking house rating pulled Reed International back 6 to 425p.

ings say they see "little prospect of a re-rating".

Profits news was responsible and MEPC, in fairly active trading, hardened to special to respond to property acquisition news with a

fresh rise of 5 at 279p, while LET firmed 4 to 1399 mainly reflecting the efforts of a solitary buyer. Progmore Estates rose 13 to 315p and CALA gained 8 to 142p for lowing the respective interim

trading statements. Textiles issues fluctuated narrowly in either direction. Palma, still influenced by this week's excellent preliminary profits, moved to within 4 of the 1-97.58 peak to close at 95p while A.Beckman gained 4 to 117p and S.Jerome 5 to 220p. Dawson International, on the other hand, slipped 3 to 205p and J.Haggas, at 147p, showed little sign of regaining the ground lost after Wednesday's disappointing first-half

Impressive annual results gave Antofagasta a boost and the close was 7 higher at 227p while international City, awaiting today's interim figures, improved 4 to 184p: Kleinwort Grieveson is forecasting profits of £5m against £7.2m for the same period last

A story that Incheape could be ready to hive off its insurance division. Baine Dawes, aroused fresh demand and in a market 22 to 724p. Other Overseas Traders were motionless with the exception of Harrisons & Cros-

Traded option business was dominated by BP. The shares attracted another heavy turnover reflected in traded obtions in which calls totalled 6,282 with puts at 452. The FTSE contract managed just 506 calls and 516 puts. The total number of con-

#### **Traditional Options**

 First dealings Feb 29
 Last dealings Mar 11 ● Last declarations Jun 2 • For Settlement Jun 13
For rate indications see end of

Call options were produced in Chancery Securities. Dares Estates, Ultramar, ADT, BP partly-paid, National Home Loan, Sound Diffusion, Inoco, Eagle Trust, Regenterest, Hawthorn Leslie, Associated British Eng. and Beecham. Puts were arranged in Coats Viyella and Sheraton Securities while doubles were completed in North

Kalgurli and BP partly-paid.

#### TRADING VOLUME IN MAJOR STOCKS

trading volume for Alpha securities deaft through the SEAQ



#### RISES AND FALLS YESTERDAY

Oritish Funds Corporations, Dominion and Foreign Bonds Industrials Inancial and Properties Ills Inantations Unes Uthers	Rises 16 0 442 126 33 2 70 66	Falls 83 22 347 150 25 5 45	Same 15 29 768 366 51 6 86
Totals	755	769	1.430

ERUIT	TES								_				
Issat Price	Paid	Latest Recurs date	Ļ		7/88		Sinck	Clasing Price	-=	Met. Div	Tidays Card	Grass Vield	P
			194			-		<u> </u>	<u> </u>				L
15일 전 ~ 명원 및 연기 설 및 보면 ~ 되면 기술 전 = 등		84 154 264 251 187 187 187 187		PROBLIGHT SEAL SEAL SEAL SEAL SEAL SEAL SEAL SEAL	73 12 12 8 5	20 Archer i 20 Autest / 20 Serry S. 1 Scriss I 1 Scardine 5 Hopmon 5 Hopmon 6 Hopmon 6 Hopmon 7 Hopmon	althcare 200 A  J. Hildgs 1 p  Indicated 5 p  Indic	29 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	+2 -3 -4 -1 -5 +4 -2 +20 -1 -1	555511559 11255058155 1125508155 11255115 1125511	י איניים שמשהאאמים יחסקרסרי	253 SOUNGHAMP NEWS 67	11111 14111 1411 1411 1411 1411 1411 1
FIXE	IN	TER	EST	r s	TO	:KS							
issue Price	April	d R	riesi Pent Die	-	25 late :	97/88 Low		Stock			Dos Pri	*   '	-:
100	F.P.		-		ш	<u>-                                      </u>			_	10	¥¥		

FIXE	INTE	REST	<u> </u>	CKS			
Issue Agusset Price Paid S up		Latest	_ 25	197/BB	Stack	Closing Price	
		Date	ifigu	Low		T L	-
100 100 100 100 100 100 100 100 100		13 344 344	110 9 110 110 110 110 110 110 110 110 11		Argist Trust Line Crox Sen. Urs. Lin 1992 BTF 7-50 teach Crox The Med P-H Cooper IF 16.50 Car Red Cav Prog P-H Groups S. Zigo Net Car. Law Ned I-H Groups Crox Sen. Sen. Car. Car. Del P-H Market Argist a Fig. Both Red 13.3 39 III N-wide Argist a Fig. Both Red 13.3 39 III N-wide Argist a Fig. Both Red 13.3 39 III N-wide Argist a Fig. Both Red 13.3 39 III N-wide Argist a Fig. Both Red 13.3 39 III N-wide Argist a Fig. Both Lin Lin 2013 Scott & Robertson 7-y Cam Car. Red P-H Smith Men Coort Scarley IA C. L. 3.75 Date Car. Red P-H Midday B. Yepe, Cr. Cr. But P-J. 2000 C. Windowarth B-I-yep. Cor. Lins. Lin. 2000	100 100 100	12 12 12
-			<del></del>				
Price.	Pals.	Catest Revenç Case		967/88	Stock	Closery Price	

Price.	1 7345.				Shork	
` <b>p</b>	ep Date ligh		.  22		Price P	
100 9 25 250 250 57	复系统建建策函数	84 84 21 21 21 21 21 21 21 21 21 21 21 21 21	15pm 41-pm 31-pm 31-pm 7pm 50pm 110-p 20pm	11 <sub>2 bez</sub> 5pre 20pm 60pm 6ppr	Brewmaker Ip Carobian Vestore Con Lackson Exploration Lackson Exploration Lackson Brewing & Artis Supplies Parrist Sp. Peres Tools 10p 50pksis Products 10p	11pm 4pm 21_pm 21_pm 21_pm 20_m 110_pm 17_pm
deld n Fee	wad in		Andrea Total	PER COLOR	of stamp duty a Americaed devidend in Fegures, in pital, cover based on dividend on toll capital ig Assi te, cover based on previous war's Garangs L. Est M. Dividend and yield based on Prospectus or other	بادال وجد

2.39

3.06 1.54

0.85

1.63

0.73

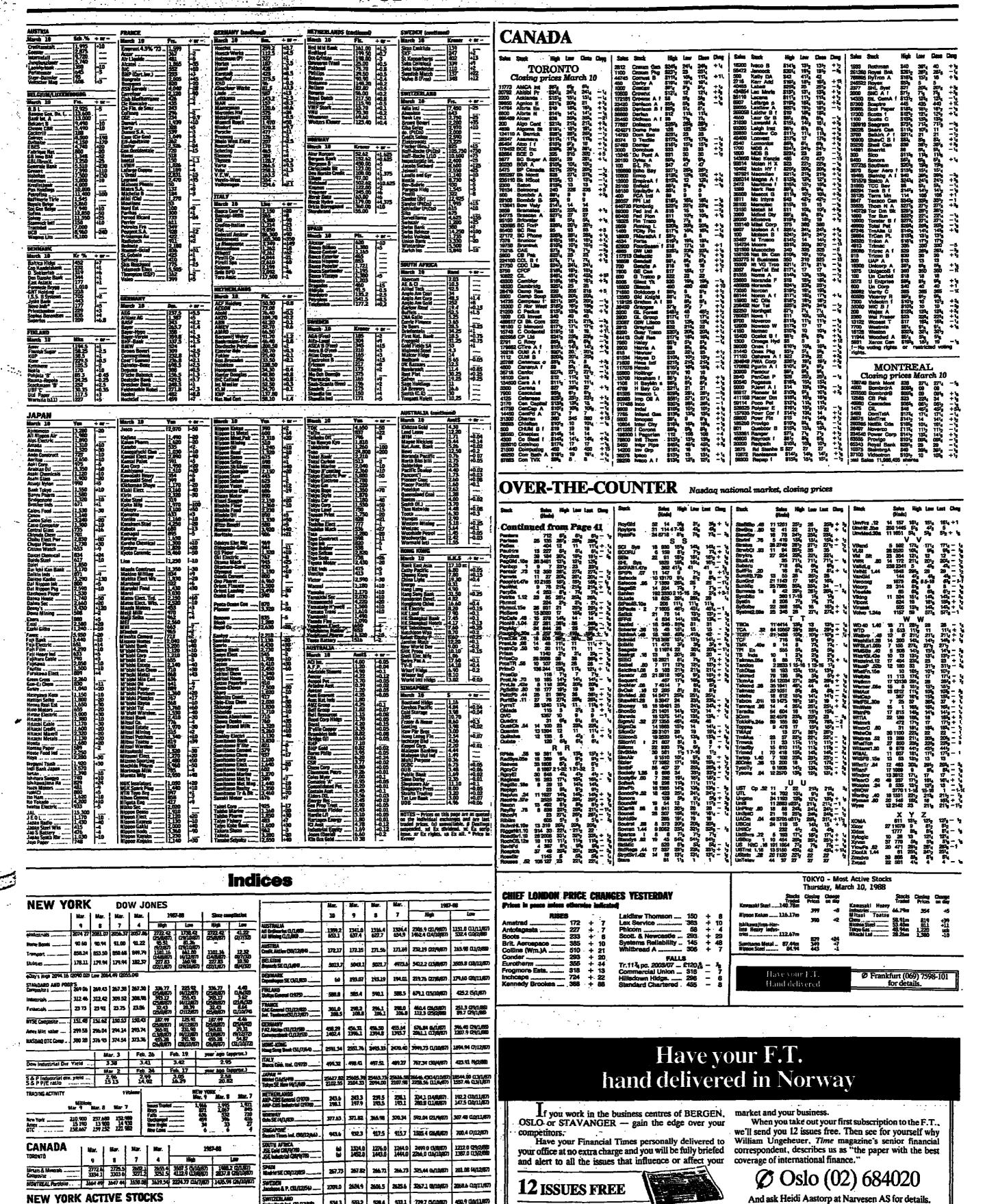
6.19

Index-Linked
11 inflation rate 5%
12 inflation rate 5%

13 inflation rate 10% 14 inflation rate 10%

18 Preference

### WORLD STOCK MARKETS



450.9 (10/11/87)

FINANCIAL TIMES

Europe's Business Newspaper

MITZER: AND

Closing grice 14<sup>1</sup>q 15<sup>1</sup>s 8<sup>1</sup>s 5<sup>4</sup>s

Base values of all inchors are 100 except MYSE All Common - 50; Standard and Poor's - 10; and Toronto Compo Metars - 1000. Toronto rodices based 1975 and Montreal Portfolio 4/1/83, 7 Exclusion ; 450 exceptivats plus 40 atomics, 40 Februariats and 20 transports, 42 Closed, 6st Unacquisible.

533.2

410.5

528.4

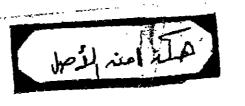
446.9

533.1

446.4

45.9 (27R/ET)

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES Tener in der Kente besteht der Gester in der CTF 128 2.0 Candral 28 3.1 8 Candral 28 3.1 8 Candral 28 3.1 8 Candral 28 3.1 8 Candral 28 3.2 11 Candral 28 3.2 11 Candral 28 3.3 Candral 28 3.4 19 Candral 38 3.4 19 Candral ,一种,我们就是我们的,我们就是我们的,我们就是我们的,我们是我们的,我们是我们的,我们是我们的,我们是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们 一种,我们就是我们的,我们就是我们的,我们就是我们的,我们是我们的,我们们就是我们的,我们们就是我们的,我们们就是我们的,我们们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的,我们就是我们的, 



Continued on Page 39

## AMEX COMPOSITE CLOSING PRICES

Sauck	Bir.	Mi.	E	100	High
ListCincDite	12	23	257	24	
ListCincDite	12	23	257	24	
ListCincDite	13	13	13	140	22
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	14	20	131		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	15	15	15		
ListCincDite	Change	Change	String	Str Sack Div E Pritriany 1.80 12 Propez V Press 1 15 Press Stanck Mr. Tel. E 108th High Schmidt N 19 12 1125 184. Schmidt N 12 2 1125 184. Schmidt N 12 2 1125 184. Schmidt N 2 2 12 1125 184. Schmidt N 2 2 12 125 185. Schmidt N 12 2 11 2 115 184. Schmidt N 12 2 11 2 115 184. Schmidt N 12 2 11 2 115 184. Schmidt N 12 2 11 185. Schmidt N 12 2 11 185. Schmidt N 12 1 185 Continued from Page 49	

391, 395, Penwit 240

45 13 207 Sell, Sell | District 870 982 — 16 15-16 + 1-18 3712 — 14 4 — 14 1176 — 15 19 — 32 184 1 286 874 874 273 1737 185 195 195 105 105 The sector of th 77 2 3 1 5 5 5 4 7 3 5 17 10 2 5 1 5 17 10 2 5 2 712-1443-1443-1812-3 5 5 773-773-1013 30% 9 534 16% 24% 29% 215% 15% 8 15% 190 24% 774 95% 146 OVER-THE-COUNTER | Select | S ٠. | Strict | S 55. 不知知知识的是不知识,我们不是有好的的,我也是有好的,我们也不是有好的,我们也是一个,我们也是一个,我们的一个,我们也是一个, - "我们我们是特别的"我是我的我的我们也是不是我们的我们是我们的我们的我们的,我们是我们的人,我们们也是不是有什么的,我们也是我们的我们就是这种,我们们是这一个,我们 45.004.7 3 174.574.3866.456714.3866.567 184.46114.46.38714.38717.5644.46.287117.2547.3543.3543.565.3117.5644.46.28717.5644.40.28717.5644.40.28717.5644.40.28717.5644.40.28717.5644.40.28717.5644.40.28717.5644.40.28 REIND .04; Nb1.92 RIPC 20 RILC 20 RILC 20 RILC 20 RIPC RTE .72 Radice RatsPoil.50 Rayers.24 Rismires Rayers.25 Rayers.26 Rayers.26 Rayers.26 Rayers.26 Rayers.26 Rayers.26 Rayers.26 Rayers.27 Radia PART 1.34 Radia .74 Radia .74 Radia .74 Radia .74 Radia .75 S 2.1 186 2.8 186 2.2 13. 5 27 19. 5 2.2 19. 5 2.2 19. 5 2.9 18. 4. 2.9 18. 4 St. Ind .18 SPSTec 1 SSMC Searchistre Sabme 04 Sabnit 1 54e SigdSc Sarkin .30 Sarcian 47e SUGLPS1.40 Salarit 54 Salarit 5 CDC
CPIs
20
CUCint
CVN
CUNST.32e
Cantor.
Cantor.
Calgoria
Calgoria
Calgoria
Calgoria
Callero
Callero
Callero
Callero
Caroria
C

Have your F.T. hand delivered . . .

. . . at no extra charge, if you work in the business centres of LISBOA & PORTO

(C) Lisboa 887844

**WORLD STOCK MARKETS** 

## Technical selling breaks Swedish turnover soars as foreigners pour in calm and causes sharp fall

#### **Wall Street**

THE EERY calm in the stock market broke yesterday as stock index arbitrageurs suddenly started selling stocks for technical reasons, which led to the steepest daily fall in the equity market since January 20. writes Janet Bush in New York.

The Dow Jones Industrial Average had drifted only margin-ally lower throughout the session but began to plunge at around 1.400 as stock index arbitrage sell programmes went into effect. The Dow eventually closed

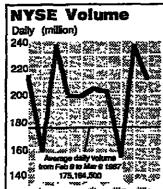
48.24 points lower at 2,026.03 in volume of about 200m shares. The selling was almost entirely far-reaching a technical and psydue to stock index arbitrageurs chological effect this latest bout

unwinding positions built up of programme trading will have over the last few weeks, prior to on the market. the so-called triple witching hour next week when stock indices, ontions and futures contracts all This is the first session in some

trage had exerted a major influ-retracement - represented neces-ence on the market. Quite the sary, healthy base-building for a most interesting aspect of the more prolonged recovery or was day's movement, however, was simply evidence that confidence the fact that stock index arbitrageurs limited business in order to Buying during recent sessions geurs limited business in order to geurs limited business in order to comply with the New York Stock has not been general. Blue chip Exchange's curbs on the use of stocks have underperformed secits Superdot electronic order exe- ondary issues and trading has cution system for programme been concentrated in stocks trading.

Earlier this year, the NYSE over-related situations. decided to make permanent A background factor which has experimental curbs on pro- limited progress in the equity gramme trading and tightened market recently has been a the limits so that they would go pick-up in oil prices and this was into effect if the Dow were to rise a factor yesterday. Crude oil or fall by 50 points or more in a futures moved sharply higher single session (the previous limit and, at the same time, the price had been 75 points).

The question everyone will be ounce. asking today is whether the arbitrageurs have more unwinding to implications of a rise in precious do. It may be that technical metals and commodity prices has unwinding is having to be spread also undermined bonds. over a number of days to comply with the NYSE regulations.



0 25 28 29 1 2 3 4 7 8 9 Feb 1988 Mar The other question is how

MINISTRACTOR OF THE PROPERTY O

Debate in recent weeks has centred on whether the painfully slow progress of the equity market in recent weeks - when sharp buying bursts have invariably weeks when stock index arbi- been followed by days of drifting

A background factor which has of gold jumped by nearly \$7 an

Concern about the inflationary The US Treasury bond market closed around % point lower with

the Treasury's 8.875 per cent 30year issue closing ! lower to yield 8.55 per cent. Oil stocks, which had been mostly higher at midsession, Wednesday of the country's largclosed lower. Exxon ended \$1/4

closed \$1/2 lower at \$431/4. Among corporate announcements was news that Colt Indus-tries had agreed to be acquired for \$17 a share by a new company formed by Morgan Stanley Equity Fund II and a group of Colt's senior managers. Colt's share price jumped \$4% to \$18% and escaped falls in the broader

lower at \$41%, Chevron was unchanged at \$45.14 and Mobil

Sabine, the oil and gas exploration and development company, gained \$3% to \$18% after news of a \$20-a-share offer by Presidio

Wang Laboratories' B shares slumped \$3% to \$12% after the company revised down sharply its forecast for third quarter reve-nue growth. The company had previously estimated growth of between 10 per cent and 12 per cent in the quarter but yesterday predicted growth of between 4 per cent and 6 per cent.

#### Canada

SELLING among mining issues caused Toronto stocks to slump late in the session after rising as much as 31 points earlier in the

The composite index fell 20.37 to 3313.72, but advances outpaced declines by 504 to 422 on heavy volume of 35.7m shares.

Other mining stocks hit by sell- ris chief mining stocks int by self-rising 25 cents to 625.75. In insurance stocks, Liberty C3% to C522%, Inco, down C51 at Roldings gained Ri to R27.50 and C528%, American Barrick, down Liberty Life added Ri0 to R120 C53/4 at C526% and Cominco, after announcing its annual down C\$1/2 to C\$17.

SWEDEN ruled for the day in strongly up on the SKr324m Europe yesterday as Stora's take recorded on Wednesday. The over bid for Swedish Match pulled in a wave of foreign buyers. Trading elsewhere was mixed, Swedish Match B shares added SW-32 or 19 per cent to clean at

writes Our Markets Staff.

SKr22, or 19 per cent, to close at
SKr237, the price being offered by SKr22, or 19 per cent, to close at most active trading days on Stora Stora ended up SKr18, or record following the launch on 4.6 per cent, at SKr408.

Renewed rumours of a possible takeover or large stake purchase in Alfa Laval helped the stock to est ever takeover bid. takeover or large stake purchase
The SKr5.9bn cash bid by Stora
for Swedish Match led to a mass
takeover or large stake purchase
in Alfa Laval helped the stock to
rise SKr9 to SKr304. Sandvik, return of foreign investors, with which announced a 10 per cent rise in 1987 profits, added SKr1 to national favourites such as Asea, SKr175.

"They're buying on the view that the market has nowhere to go but north," said one analyst.

In the forestry sector, Modo, Holmen and Iggesund were suspended pending details of a corporate restructuring. the market has nowhere to go

FRANKFURT maintained its opening upward momentum to close near the day's highs with the FAZ index up 1.98 at 458.29. Domestic institutions appeared to be supporting the market and volume was slightly up on

Wednesday.
Retailers again posted strong gains, with Massa ahead DM16.50, bourse's average level and or 6.6 per cent, at DM265.

#### London

EUROPE

CONTINUED strong demand for British Petroleum, this time from the Kuwait Invest-ment Office again, helped push the market higher with the FT-SE 100 index closing 19.3 up at 1.834.6.

Equities took heart from signs of less upward pressure on sterling, and turnover was near the year's record.

higher at DM477 while Daimler rose DM2.50 to DM698.50. Volks-

all-share trend index, ending 0.1 added FFr1 to FFr73. up at 82.8 amid continued take-

recent hefty falls.

runoured to be attracting recent interest from a major French nies, domestic and foreign, might bank, eased FI 1.40 to FI 58.10 and be interested in taking it over. insurer Amey, which has denied The stock surged L400, or 31 per takeover speculation, lost 60 cent, to L13,150. cents to FI 52.70. ZURICH ended

In internationals, Royal Dutch moved a further 80 cents ahead to F1 217.50 on higher oil prices.

after its recent poor run. PARIS eased in moderately Cars attracted further atten-tion, and Porsche closed DM11 began to take hold. The CAC General index opened up 2.8 at

wagen, which signed a 10-year joint venture in Bulgaria, recovered DM2.10 to DM234.60 after per cent, to FFr322 amid rumours

MILAN closed higher after a over rumours.

Biotechnology group Gist-Brocades attracted some rumours, index ended up 2 at 1,030.

Supermarket chain Standa rising Fl 2.10 to Fl 33.50, although dealers were sceptical. NMB, attracted the most attention on rumours that a number of companies, domestic and foreign, might

ZURICH ended mostly mixed in cautious trading, affected by the easing of the dollar to just under

SFr1.38. The Crédit Suisse index closed up 2.4 at 467.3. and Philips, up 50 cents at FI closed up 2.4 at 467.3.

28.20, found some support from both foreign and domestic buyers which announced the acquisition

of Swedish company Dino! International, ended unchanged at BRUSSELS closed lower in moderate trading and the index

dropped 29.23 to 5.013.77. GB-Inno. Belgium's largest retailer, fell BFr112 or 8 per cent to BFr1.348 on volume of 126,600 ecent hefty fails.

that Esso and BP planned to shares as takeover talk faded.

AMSTERDAM edged up to post increase their stakes in their Gevaert lost BFr110 to BFr7. Gevaert lost BFr110 to BFr7.590 another high for the year on the French subsidiaries. BP France after announcing a drop in prof.

OSLO rose across the board, with the oil index up 7.66 to 241.91 on higher crude spot

Deutsche Mark

against the Dollar (DM per \$)

## US funds turn attention to Europe

.60

.70

#### SOUTH AFRICA

strong overnight buying in inter-

The liquidity boost for the mar-

ket from the cash bid was also

fuelling optimism, he said. London brokers James Capel

forecast yesterday that the net inflow of funds to the market

would climb 50 per cent this year

Turnover vesterday reached SKr739m, more than twice the

to SKr11.5bn.

but north," said one analyst.

THE BULLION price's rise to over \$440 pushed up Johannes-burg gold issues. Demand from local institutional and UK inves-US FUND managers expect to boost their investment in Europe tors increased, but volume was again limited by scarce stocks.

Among golds, Randfontein climbed R17 to R240, Vaal Reefs rose R7 to R270, Harties was up 85 cents to R21.25, Western Deep increased R4.50 to R113.50.

Diamond stock De Beers, due to announce its annual results today, shed 25 cents to R28.50. Mining house Gencor, which reported a rise in industrial earnings for 1987, gained R1.25 to R46.50.

The price of aluminium Strength in platinum issues declined slightly and Alcan fell cs2% to C\$35%.

Strength in platinum issues persisted, with Rustenburg gaining 25 cents to R30.25 and impala ng 25 cents to R26.75.

this year, despite last October's crash and the likelihood of further depreciation in the dollar, according to Salomon Bros, the US investment banking and secu-Mr Michael Howell European strategist at the London office of

Salomon, says US pension funds plan to devote a greater propor-tion of their equity investment to European bourses than in the boom year of 1986. Many have kept a presence in

Europe despite the crash, and the 60 per cent of pension funds not already invested in foreign equities are now interested in diversi-fying. In continental Europe, West Germany is seen as one of the more attractive prospects.

The recent strong rally by

West German shares has taken the market closer to what Salomon sees as its fair value, but US funds are still interested in buy-ing big international stocks with good liquidity because they are looking for longer-term value, Mr Howell says.

Switzerland is also attracting

BY ALISON MAITLAND

terparts because they have a far since the beginning of February

explain why US investors were

(\$480m current), far less than those of either UK or Swiss investors, who sold DM2.34bn and

DM2.17bn respectively.
With the dollar falling against the D-Mark, it made sense for US investors to hold on to their German equities. However, a turnround in the dollar could also be beneficial through boosting earn-ings prospects and share prices of leading German exporters. Mr Howell believes some of the

recent rise in West German share prices and turnover can be attributed to new money beginning to

interest, and some US pension Germany jumped 26 per cent to fime is likely to start moving into funds have been dipping into the DM58.2bn last month from Janu-French market for the first time. The US pension funds are less worried about short-term equity Bank topped the active list. The worried about short-term equity performance than their UK coun-FAZ index has risen 15.6 per cent to fime is likely to start moving into European bourses in the second or third quarter of this year.

"The exchange rate factors are not extremely attractive now unless they are able to get a local

greater weighting in fixed income to close yesterday at 458.29.

While Salomon does not expect after three years, it's acceptable."

Mr Howell says.

The longer-term perspective of the US fund manager helps to support. The US firm estimates to push the German market higher over the year, it believes they could provide some support. The US firm estimates foreigness with US. foreigners will make total net purchases in West Germany of not aggressive sellers of German purchases in West Germany of equities during the crash.

US net sales from October to December 1987 reached DM800m net sales of DM15.7bn in 1986. US investment house Goldman

Sachs International agrees that US pension funds will continue to invest abroad rather than retrenching. But Mr Jeffrey Weingarten, director of international equity research in London, says: "I don't get a sense in talking to the institutions that there's been a significant move-ment into European markets by US funds so far this year."

InterSec Research, consultants on international diversification for pension funds, believes the present mood is cautious but that Turnover of shares in West investing abroad for the first Germany jumped 26 per cent to DM58.2bn last month from Janu-European bourses in the second

their behalf. The dollar exchange rate will drive down any of their profits," says Ms Lorig Maranjian at the US firm's London office. But she says it is generally agreed that US funds with inter-national holdings did better last year than those invested only in their domestic markets. InterSec believes the pace is likely to accelerate later this

1987 Jan

money manager to invest on

year, with the total invested overseas by US pension funds rising to at least \$60bn at the end of this year and to \$150bn in 1992. This compares with \$45.2bn at the end of 1986 and \$50bn last year.

## Large-capitals lead nervous ascent

DEMAND for large-capital stocks Tokyo yesterday but gains were kept in check towards the close on renewed investor concern over the fast upward pace, writes

Shigeo Nishunaki of Jiji Press. The Nikkei average ended 12.43 points higher at 25,617.82 after moving between a high of 25,686.26 and a low of 25,604.72. Volume reached 1.63bn shares compared with Wednesday's 1.4bn. Declines outnumbered advances by 502 to 425, with 138

The market got off to a strong start with individual investors, business corporations and foreign investors placing large buy orders for steel, shipbuilding and

other large-capital issues.
But nervousness over precariously high prices began to grow in late trading as market leaders, such as Nippon Kokan, Ishikawajima-Harima Heavy Industries and Kawasaki Steel, rose to record highs. As a result, buying enthusiasm dwindled rapidly.

The market is nevertheless

basically strong, as the Nikkei average managed to score a rise in spite of the selling since Monday by tokkin specified money trusts and fund trusts, said a leading securities house.

On the trading floor, Kawasaki Steel topped the active list with 141m shares changing hands and rose Y8 to a record Y399. Nippon Kokan and Ishikawajima-Harima gained Y2 and Y24 to record highs of Y390 and Y829

respectively. Nippon Kokan was

Nippon Steel ended Y1 lower at Y443 after advancing Y5 at one Buying interest focused on of 268m shares, up 59.5m shares this year.

nonferrous metal issue Mitsubi-shi Metal, Y43 higher at Y868. High-technology stocks were mixed with NEC adding Y20 to Y2,120 and Hitachi losing Y10 to Y1,380. TDK fell Y50 to Y4,650 while NTT finished Y30,000 lower

at Y2.41m. Construction issues were depressed by US pressure on Japan to allow American contrac-

tors' participation in Japanese public works projects. Taisei fell Y17 to Y925. A wait-and-see mood domi-nated the bond market with insti-

tutional investors still sticking to the sidelines. In early afternoon trading, dealers of one bank sold the benchmark 5.0 per cent government bond maturing in December 1997, and its yield rose from 4.480 per cent at Wednesday's

close to 4.520 per cent.

Later, however, the dealer section of a brokerage house bought the benchmark issue, pushing the yield down to 4.475 per cent Osaka Securities Exchange

the second busiest issue with 116m shares traded and Ishikawajima-Harima third with 113m. Vippon Steel ended Y1 lower at The 250-issue OSE stock averThe second busiest issue with prices turned down slightly, spread among most sectors. The All Ordinaries ended 18.4 higher tinued to attract buying interest. The 250-issue OSE stock averNovember. age closed 6.08 points lower at 25,929.62, on an estimated volume

Buying interest locused on large-capital chemicals in aftermoon trading. Mitsui Toatsu Chemicals, the seventh most active stock with 59m shares, added Y39, or 5 per cent, to a record Y819. Mitsubishi Gas Chemical added Y30 to Y710 and Sumitomo Chemical Y17 to Y937. Rises included synthetic fibre maker Teijin, up Y22 at Y837, and nonferrous metal issue Mitsubishi Gas would be revised substantially upward.

Investor interest continued to focus on Elders IXL and AFP investments, which added 3 cents each to A\$3.56 and A\$1.20 respectively.

BHP was steady at A\$7.10, with Bell Resources up 8 cents at A\$1.15 and Bell Group 7 cents higher at A\$1.82. News Corp advanced 20 cents to A\$12.50 but nonferrous metal issue Mitsubishi Cas would be revised substantially upward.

#### **Hong Kong**

LATE profit-taking reduced the day's gains following aggressive A\$2.70 and 10 cent gains took Gold Mines of Kalgoorlie to A\$7.20. day's gains following aggressive A\$2.08 and Metana to A\$7.20. buying from overseas institu- Renison Goldfields fell 30 cents to tions, with the Hang Seng index closing 39.58 higher at 2,591.34.
Turnover was at its highest for

the year, at HK\$1.89bn against HK\$1.58bn on Wednesday. Properties and banks led the advance, with Cheung Kong rising 15 cents to HK\$7.80, Hong-kong Land up 10 cents at Industrial index adding 11.33 to

HK\$7.90, and Hongkong Bank 10 cents at HK\$7.90, and Hongkong Bank 10 cents higher at HK\$7.50.

Sun Hung Kai Properties rose 15 cents to HK\$10.10 and Hang Seng Bank added 50 cents to HK\$31.75 pending the release today of their profits figures.

#### Australia

OVERSEAS buying boosted shares sharply for the second consecutive day, with demand

Turnover totalled 151m shares. believed to be the largest so far

Gold stocks were mostly higher. Emperor was up 25 cents

#### Singapore

943.66. The day began quietly but was boosted towards midday by sus-tained gains in Tokyo and Hong Kong. Turnover rose to 38m

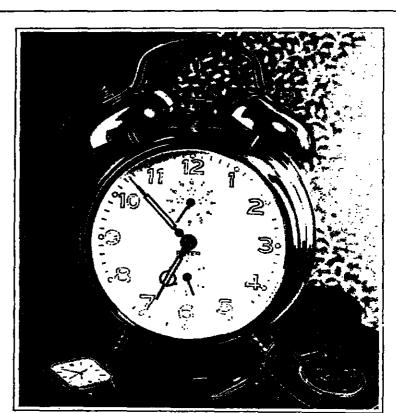
shares from 32m. Expectations of good corporate annual results also helped. Demand from institutions and pore-based blue chips scoring double-digit gains, but activity was centred mainly on low-priced and Malaysian speculative issues

Once you wake up to the fact that Metropolitan Wigan has so much to offer you'll suddenly realise just how much your business could benefit.

A move to Wigan will give you a skilled workforce with an enviable track record, tailor made grant packages to suit you exactly and no matter what size your business

ideal premises.

Whether you're involved in High Technology, Engineering or Manufacturing, we'll have you set up and working quickly, efficiently and with the minimum of fuss.



# When you wake up to Wigan it will make the world fference to your business.

Now is the time to look to the future:call John Robinson, Head of Economic Development on (0942) 827166 and get all the facts - you'll soon discover that in Wigan we're not time wasters.

METROPOLITAN WIGAN

#### Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co.

Ltd., in	conjunc	tion wi	th the In	stitute of	Actuar	ies and	the Facu	ity of Ac	<u>tuaries</u>		
NATIONAL AND REGIONAL MARKETS		THURS	DAY MARCH	10 1988		WEBNI	ESDAY MARC	H 9 19 <b>8</b> 8	DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987/88 High	1987/88 Low	Year ago (approx)
Australia (91) Austria (16) Betgium (48) Canada (126) Denmark (38) Finland (23) France (122) West Germany (94) Hong Kong (46) Ireland (14) Italy (94) Japan (457) Malaysia (36) Mexico (14) Netherland (37) New Zealand (23) Norway (24) Singagore (26) South Africa (61) Spain (43) Sweden (32) Switzerland (53) United Kingdom (327)	139.61 120.57 121.80 119.99 86.50 79.38 100.41 120.02 75.45 162.94 117.29 151.26 107.30 77.42 114.59 111.59 114.59 114.59 114.59 114.83 86.75	+1.422.85.53.47 +1.00.47.1.4.45 -0.47.1.4.45 -0.47.7.7.7.1.1.82.2.2.4.6.6.9 -1.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4.4	88.86 73.00 112.34 97.02 98.01 96.55 69.60 63.88 80.80 96.57 131.11 94.38 121.71 86.34 62.30 92.21 89.79 110.64 96.80 112.47 86.65	100.70 78.35 120.16 109.70 105.69 101.13 76.90 68.72 100.58 105.59 69.70 131.93 115.37 91.63 61.35 98.45 103.51 81.91 12.47 107.69	4.18 2.67 2.97 2.99 2.78 4.03 2.69 4.22 4.18 0.53 3.32 5.00 5.37 3.08 2.29 4.24 3.50	108.91 90.57 139.89 121.56 121.17 119.59 86.82 78.84 99.37 119.50 175.84 163.17 116.64 107.34 135.71 147.47 116.09 86.25 138.89 109.74	87.40 72.68 112.26 97.55 97.29 69.67 77.74 95.96 130.94 93.65 88.54 108.90 118.16 69.21 111.24 88.06	99.39 78.34 120.57 110.34 104.95 106.95 69.53 104.95 69.69 132.02 115.04 408.14 91.53 59.66 96.47 102.41 80.18 124.84 121.45 101.61 73.74	180.81 102.87 139.89 141.78 124.83 124.83 158.68 160.22 104.93 158.66 160.22 112.11 163.67 193.64 422.59 131.41 138.99 188.01 174.28 198.09 168.81 136.64 111.11 162.87 137.42	85.36 84.35 98.15 98.15 98.15 72.77 67.78 73.50 93.76 90.07 87.70 64.42 95.51 100.00 100.00 88.50 73.65 91.21	113.22 93.79 114.18 126.95 112.38 87.56 108.43 127.98 95.64 121.89 130.86 123.74 107.70 93.47 121.04 117.91 130.24 110.46 95.71 127.42 120.11
Europe (965) Pacific Basin (679) Euro-Pacific (1644) North America (711) Europe Ex. UK (638) Pacific Ex. Japan (222) World Ex. US (1845) World Ex. UK (2103) World Ex. So Af. (2369) World Ex. Japan (1973)	126.46	+0.4 -0.1 +0.1 -1.8 +0.2 +1.3 +0.1 -0.7 -0.6 -0.9	88.48 127.46 111.89 87.20 73.61 83.55 111.37 100.78 101.75 87.77	92.54 129.38 114.71 107.82 80.01 96.77 114.32 111.96 112.22 101.98	3.75 0.71 1.68 3.47 3.30 4.15 1.75 2.11 2.30 3.61	109.51 158.52 138.93 110.37 91.29 102.46 138.32 126.14 127.21 110.06	87.89 127.21 111.49 88.57 73.26 82.22 111.00 101.22 102.08 88.32	92.01 129.38 114.50 109.80 79.78 95.53 114.12 112.69 112.80 102.71	130.02 158.80 143.65 137.55 111.97 164.03 143.38 138.82 139.47 134.22	92.25 100.00 100.00 91.68 78.89 82.92 100.00 100.00 92.98	110.13 121.01 116.67 120.47 99.43 110.20 117.20 117.47 118.27 116.66

112.57 139.73 100.00 118.35

FT – ACTUARIES WORLD INDICES

The World Index (2430) 101.81 112.01 Base values Dec 31, 1986 - 100; Finland: Dec 31, 1987 - 115.037 (US \$ Index), 90.791 (Pound Sterling) and 94.94 (Local)

#### SECTION $\Pi$

## **FINANCIAL TIMES**



A strong economic and geographical structure stems from the 1970s boundary changes. The county has real growth,

falling unemployment and spreading affluence, attracting companies which move there for operational and other reasons. Ian Hamilton Fazev

## **Nearest thing** to the South

CHESHIRE IS where the North of stage modern, high tech pavilion style of architecture, are the new three style of architecture, are three style of architecture, are

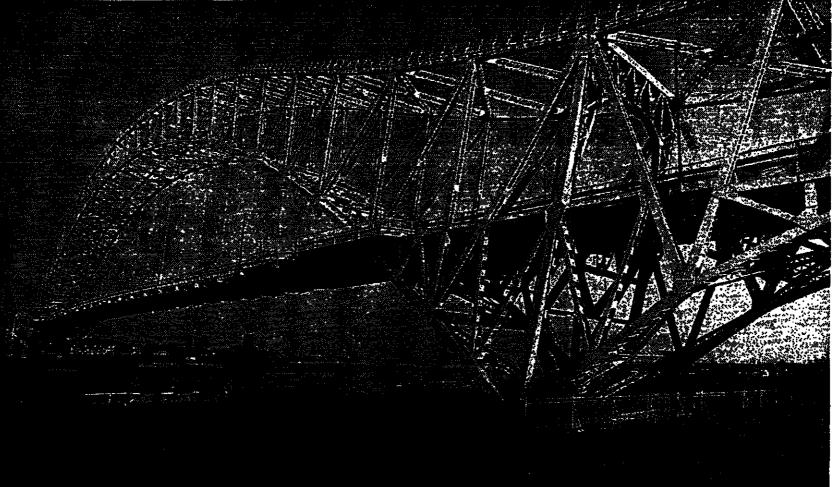
The comparison with real buffer states is but geographical. There is little deprived, dependent or marginal about Cheshire. The county has its problems, but it also has real growth, falling unemployment and a spreading

Most of it is green and ple ant. Villages provide tranquility only 40 minutes from the hustle Greater Manchester. Cheshire is increasingly desirable as a place to live and work. It is worth looking at why.

Part of the evidence of its desir-

sey - and Carrington, in Greater Manchester. Customers are consible physically.

However, in an age of instanta-



an information room in the them offices at the top of Northumber-land Avenue in London.

The result was that of the 30 per cent of staff who were offered per cent of staff who were offered or cheshire comes from an immigrant business which has had longer to assess things. Sigmens the sales of the sales centrated in the North-West and jobs no attempt was made to longer to assess things. Siemens West Midlands, so it was logical relocate people who were near moved its energy and automation that the company's 225-staff refirement 80 per cent accepted. group headquarters and factory headquarters should be more Refusals tended to come from to Congiston 18 years ago and retirement 80 per cent accepted.
Refusals tended to come from married women whose husbands were tied to London jobs with last four years have

cheshire at present for the single reason that it has moved its headquarters from Trafalgar square, and is telling everyone about it.

There were not course, sound operational reasons. The comparities or others to rent in Cheshire at the shape it is today, ny's main plants are at Ellesmere Port - a few miles away from Chester on the banks of the Mersey - and Carrington in Greater

The result was that of the 80 on Cheshire comes from an immi
The result was that of the 80 on Cheshire comes from an immi
The result was that of the 80 on Cheshire comes from an immi-

ability can be found from the identities of some of the arrivals of recent years, all substantial companies, They include Marconi Space and Defence Systems, New England Business Services, liford, the National Nuclear Corporation and Gandalf Digital Communications.

On the road between Chester and Wrexham, adjacent to the famous King's School, other new Chester Business Park in the county council working full-time to smooth arrivals are setting up in the new Chester Business Park Here is opment grant for the specific part of Cheshire involved.

However, in an age or moranications, it did not have to be. A principal recommunications of care for.

Space and Defence to be a principal recommunications of care for.

Space and Micromitations of care for.

Shell. Only five people left the are now more than £100m a year. I congleton, between Maccles-tildren into local schools by last September of the country of the principal recommunications.

Chester Business Park won because of

Cheshire, largely unchanged since the Domesday Book, surrendered urban areas such as Wallasey, Birkenhead, Sale, Altrincham, Stockport and Hyde to Mersevside or Greater Man-In return, it got the county hor-

rington has proved a major gain and is now the most populous of Cheshire's eight districts, with nearly 170,000 people. Half a generation on from these boundary changes, the effect is beginning to show. They gave the

Warrington's greatest as that it is at the junction of the M6 and M62 - within one day's

has exploited this asset skilfully, but while it has encouraged a massive influx of giant distributive and warehousing businesses, the centrality of the location has attracted many other types

Some things emerged by historical accident, such as the nuclear industry, which was founded on the UK Atomic Energy Authority it with design and knowhow.

Nuclear Corporation - designers power stations - at Knutsford, 12 miles down the M6 corridor to the south, has reinforced Cheshire's place as the centre of the UK

pace as a sering to and and an more Meanwhile,

**CONTENTS** 

of bla and small compa ge living in atmospher

constant change affluence and land reclama The environment; old buildings

Property: strong focal point for Tourism: growth potential after

the spot advice

Picture: The Runcorn to Widnes Bridge, across the River Mersey Roger Taylor

placency years ago - when Cheshire was a traditional shire county saw it lose out to York in attracting and setting up speci-alised museums and the like.

The change in local government probably did not help either. It made the City of Chester subordinate to the county and created tensions. Others did not like being lumped in with old Lancashire towns such as Widnes and Warrington.

However, half a generation has gone by and, in political terms, an age has passed. A succession of local political leaders has seen memories blur with time, new faces and a changed national out-

More important, the electorate Towns, is being wound up; last month the Carroll Group has had its say. The landowners of Domesday Cheshire may be twirling in their coffins, but the present Cheshire County Council take over one part of its territory.

The overall result is that comhas 32 Labour members, 27 Conbined with a base of well-founded businesses and an influx of new servatives, 11 Alliance and 1 Independent. Labour seems untroubled by the urban miliones, Cheshire is developing a well-balanced economy. There is a wide spread of industries and a broadly-based distribution of tancy of Merseyside and Man-chester, so the overall stance tends to be somewhere in the middle of the spectrum. usinesses by size. Structurally, this both enables

The parties have to work together through consensus - and do. Attracting jobs - which means creating the conditions for industry that will encourage job pro-viders - has the highest priority among the non-statutory things the council does. It is a critical ingredient in why Cheshire is

In 1961 fewer than 750,000 peo-ple lived in Cheshire. By 1981, there were 985,000, despite the reorganisation. The trend slowed per cent, as against 15 per cent at the western end of the county, but Mr Robin Wendt, the county's chief executive.

Will jobs be chasing the people or people the jobs? A lot will depend on how attractive Cheshmoment, things look good for

the headquarters of St Michael of Cheshire involved.

Financial Services, the home of Having made the decision, the heads.

Having made the decision, the heads.

Having made the decision, the heads.

The company is still counting.

The workers it employed in the headilts. They include a Cheshire were new to advanced staff to move across the North-greater sense of teamwork, no electronics but Siemens was hap-

oughs of Chester and Warring-ton, the old town of Widnes and a

county an economic and geo-graphical structure on which to

HGV drive from more than 90 per Warrington and Runcorn New

Cheshire's unemployment was slightly above the national averat Risley, a former military sta-tion. Once British Nuclear Fuels was established there, it was a magnet for a network of compa-nies and consultancies to supply

The arrival of the National

Runcorn have pulled in more than 800 companies - more than 100 from the US - in the last decade, generating 26,000 jobs. The effect has not been lost on

employment promotion, hope for They believe that the walled fre continues to be to people and Roman city of Chester has yet to businesses alike. For the

corporation, like other New

announced £43m of investment to

and encourages growth. The contrast is with more narrowly-

based economies with a much higher proportion of big compa-nies - Teesaide's is perhaps the most extreme example - which

moved consistently below it since, despite continuing job

losses in traditional industries

such as railway engineering at

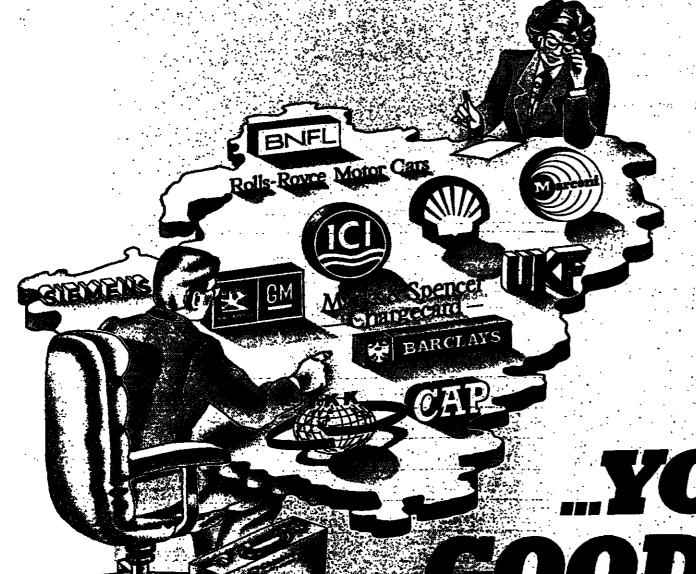
West divide - Macclesfield's unemployment rate is down to 6

ty's chief executive, and Mr Monty Cordwell, the head of

struggle to regenerate.

fully exploit tourism as a job-creating service industry. Com-this pleasant part of England.

# CHOOSE CHESHIRE.



When it comes to attracting new industry-and tourism-Cheshire can offer a quality package equal to any in the UK.

But don't just take OUR word for it-ask any of the growing number of companies and leisure interests, many from overseas, who have brought their business into our County during the last few years.

★Rolls Royce Motor Cars ★ICI Chemicals ★St Michael Financial Services ★The Wellcome Foundation ★Shell UK Chemicals **★Siemens** ★Marconi ★United Peripherals ★Data General.

Major quality companies taking full advantage of what Cheshire has to offer. And of the hundreds of companies which today form part of Cheshire's powerful, mixed economy, more than 250 come from outside the UK.

Barclays Bank, occupying prestigious premises in the heart of Cheshire's incomparable countryside, recognise our worth: "We have moved from London partly because of the increasing costs of accommodation. It is much cheaper here in Cheshire" - A Barclays Bank executive.

A successful and attractive location such as Cheshire offers an extensive range of sites and premises for business and industry and tourism opportunities for both investors and

visitors. Crewe Business Park is just one of our magnificent sites offering tremendous value for money. All our sites are attractive and competitively priced-sometimes at a tenth of the prices in London and elsewhere in the South of England.

Family life takes high priority in Cheshire; the opportunities, services and facilities in the County make it an ideal place to thrive. Our historic towns and villages offer

superior living at affordable prices. "We now live in a small village—house prices are low and we have been able to pick up a very nice house at a price that would seem almost silly in London terms". A relocated executive.

Add to this the choice and quality of shopping throughout the County, first class facilities for sport and leisure and access to nationally-acclaimed standards of arts and entertainment and you see why so many companies choose Cheshire.

It's the high value County that's right for business, right for living and right for you.

Contact Roger Lowe, Employment Promotion Group, Commerce House, Hunter St, Chester CH1 1SN or ring Chester (0244) 603156, Fax (0244) 603802. Telex 61347.

We really do mean business



.YOU'LL BEIN OD COMPANY Hundreds of small and medium-sized businesses are growing fast

## Thriving network created by the big employers

IT IS A sign of the basic, healthy diversity of Cheshire's economy that out of more than 2,000 busi nesses, the county council's industrial buyers' guide lists only 44 with more than 500 people on

their payrolls.

The guide is not quite comprehensive but sufficiently so to give an accurate picture. Perspective comes from census data and trends: apart from the wide spread of industries and sizes of the enterprises, the economy is stabilised further by a pattern of growth most of the rest of the North would envy.

The growing sectors are full of tomorrow's industries - profes-sional and scientific services, distributive trades, insurance and banking, food and drink, and

While the big employers are well represented in all of them, more important are hundreds of small and medium-sized businesses which are growing rap-

idly.
This picture of structural health becomes even rosier when the county's declining industries - such as vehicles, metal bashing textiles, clothing, bricks, and paper - are looked at closely. There are many big companies here but they are mainly slimmed-down survivors of recession now going from strength to

strength.

Generally, the big employers - which are also well spread geographically - help create a firm network which medium-sized and smaller businesses have been filling in. The nuclear industry illustrates the point, with British Nuclear Fuels at Warrington and Capenhurst in the Wirral, and the National Nuclear Corporation

at Knutsford and Warrington.

Both are responsible for However, the national impordesigning and building plant to tance of Cheshire also lies in who the highest specifications yet the big companies are. For exam-attempted - BNFL mainly at Sel-ple, BNFL and NNC make it the laffeld, while NNC's job is real centre of Britain's nuclear nuclear nower stations.

Each employs thousands but the head offices are also supports hundreds of other businesses, some of them small design consultancies, others computer software specialists, others decided to relocate its UK head-



work at ICI's pharm euticals research division headquarters at Alderley Park

of goods and services. Many are concentrated in and around War-However, the national impor-

industry, because that is where

YOUR COMPANY CHOSE

**CHESHIRE** 

FOR MANY GOOD REASONS

HERE'S ONE MORE

RIGHT ON YOUR DOORSTEP. WITH A RANGE OF EXPERIENCE THAT STRETCHES FROM RETAILING TO NEW PRODUCT LAUNCHES. BUSINESS-TO-

**BUSINESS RIGHT THROUGH TO** CONSUMER DIRECT RESPONSE. TO SEE

HOW MUCH WE'VE ACHIEVED FOR

EXISTING CLIENTS. RING IAIN FERGUSON

ON 0244 313778 FOR YOUR COPY OF THE WHITEFRIARS FACT PACK.

ADVERTISING PR MARKETING

CHESTER
MILL HOUSE RUSSELL STREET CHESTER CH3 5AL
TEL 0244 313778 FAX 0244 317249

ence is massive and split between Shell UK but i two independently large businesses heavy chemicals at Run-Across the orn and pharmaceuticals at

The drug industry is also repre sented by The Wellcome Founda-tion, headquartered at Crewe, and Fisons nearby at Holmes

Meanwhile, a forest of columns and chimneys along the Mersey marshes near Ellesmere Port is one of the most strategic concentrations of the chemicals indus

quarters to Chester. ICI's pres-ence is massive and split between Shell UK but includes UKF Fertil-Across the river at Widne

Laporte makes a wide range of inorganic products while Uniented by Crosfields Chemicals and Lever Bros at Warrington. Vehicles and transport also count for thousands of jobs.

There is a question over some of them, such as at British Rail Engineering at Crewe, but road ture, with both ERF and Foden building trucks profitably at Sandbach, Rolls-Royce exporting record numbers of cars from Crewe, and Vauxhall mature and established, if somewhat slimmer, at Ellesmere Port

Big employers in the metal products sector are Van Leer (steel drums) at Ellesmere Port, BICC (cables) at Warrington, Stir-ling Greengate (cables), Rylands-Whitecross (wires) the Locker group (wire cloth and perfora-tions), TI New World (gas cookers) and Simon Vicars (food industry machinery). Hobart Engineering (industrial dish-washers) is at Widnes.

spread, despite the concentration of three major brewers and bottlers - Bass, Greenall Whitley and Tetley Walker - in and around Food and drink giants are well

Northwich, Baxters Butchers at Chester, Golden Wonder Crisps at Widnes, Memory Lane Cakes at Warrington, Moy Park (poul-iry) at Crews, while Tesco has large warehousing at Winsford.

The big name in textiles is Chester Barrie, Austin Reed's

manufacturer at Crewe, while

CWS's drapery and housewares

wholesaling business operates from Wilmslow. Sanitary ware and bathroom equipment comes from Twyfords at Crewe and Ideal Standard at Middlewich. In the construction sector, Tarmac Top Mix works out of Macclesfield sand quarries. Ilford, part of Ciba Geigy, makes photographic papers and nuclear plates at Knutsford.

In computers, electronics and electrical engineering, only United Peripherals and Siemens appear to employ more than 500, but this should not be taken to imply structural weakness. Cheshire is home for nearly 200

expanding ones. indeed, the picture is similar in all other sectors, with under -usually well under - 15 per cent of people employed in large

Hundreds of medium-sized and small businesses give Cheshire an overall entrepreneurial drive which, according to leading accountants and venture capitalists, has made the county one of the most fertile areas for management buy-outs in Britain.

This is securing the future of older established family firms and putting decision-making control of others into the hands of local managers.

At the same time, there has been an inevitable explosion of businesses offering services to the companies and industries around them. Many of these are in themselves small, but often with impressively big clients.

There is certainly no need for Cheshire businesses to look outside the county for a wide range of services, from management consultancy to graphic design, or from accountancy to PR and advertising advice.

It is possibly because of the large numbers of smaller busi-nesses in Cheshire that smaller service companies will thrive, if only because their overheads are in a similar league and more

In the 1981 census, professional, scientific and miscellaneous services accounted for 27 per cent of Cheshire's then 358,000-strong workforce. Distrib-utive trades, fuelled by Warrington's position at the crossover of the M6 and M62, employed 12 per

Between them they had

HIGH QUALITY PRESENTATIONS WITH A LOW PRICE TAG



\*

#### Vigorous planning policies are creating change



## Controversial course

John Collins, has a highly visible maxim in his office on the top floor of Commerce House, Ches-ter, where planning is interpreted as everything from employment promotion to building conserva-

The maxim reads: "Constant change is here to stay." It sum-marises the approach of an avowdly pro-active officer in an often

ctionary county. being able to float ideas without having the final responsibility for development control (a district council task). He believes in creating the climate for change to happen positively so that the most henefit can be sought, rather than resolutely blocking development until it is imposed

after planning appeal.
In a county where, as a local architect put it, "You can't take a step without generating interest." Mr Collins cuts a deliberately controversial course. He is sure enough of his ground to play devil's advocate for the developer while encouraging a wholesale listing of historic buildings across the county by his conser-vation officers.

His attitudes also work retro-spectively. He defends the breaching of Chester's Roman walls by the inner ring road (a city council initiative before local government reorganisation using Mr George Grenfell Baines as consultant) but laments the seven-storey excrescence of Com-merce House itself, wedged beside the Cathedral and the Town Hall on the Chester sky-

ing chances. He has been pushing Chester City Council to rethink Green Belt policies in the light of demand for business park sites a rothink which is reflected in the revised draft local plan published this month. He believes that the continuir

creating an unrivalled development opportunity in the nearby Cheshire countryside - where, he says, everyone wants to build (as opposed to nearby, depressed ythenshawe). Mr Collins was among those

who pushed for Refuge Assur-ance to relocate at Wilmslow, not because that would deprive Manchester of a major employer but because he was convinced that Refuge would make excellent use of the parkland site on offer. creating another attraction in North Cheshire. He claims in any case that Refuge would not have relocated outside the city if Manchester had been able to find

them a comparable site. "The quality of environment created by growth is more important than the discussion as to whether or not it should hap-

pen," Mr Collins says.

Cheshire's planning officer is also very much in favour of the Tesco/Marks & Spencer proposal for a superstore at Handforth on Stockport boundary (one of the Manchester area out-of-town shopping schemes waiting for a decision from the Environment Secretary) because this carries with it the promise of finance for

Lest he be accused of preying off Manchester - over shopping, office space or airport develop-ment - Mr Collins advocates the same sort of approach to Chester. He believes the city should continue to grab the unusual oppor-tunity offered by being a developarea as well as an historic

If this means setting aside housing and retailing (without jeopardising the core areas), then so be it. He suggests that Chester could stand up to 600,000 sq ft of additional out-of-town floorspace complementing existing shops, something definitely not reflected in the revised local plan.

Such attitudes, he admits, lead to "productive tension" with colleagues in the district councils. "The districts think I am too entrepreneurial, but I feel that planners should be seen as encouraging people.

"The question we should be posing to investors is 'Are you good enough to develop in Cheshire? It ought to be a challenge they can respond to."

Robert Waterhouse

#### E. Noel Humphreys & Co.

CHARTERED ACCOUNTANTS

6 HUNTER STREET, CHESTER, CHI 2AU TELEPHONE NO. (0244) 23051

FAX NO (0244) 44535 We can provide specialist advice on all aspects of company formation, cash flow and budget forecast, tax planning and general accountancy and computer services, including grant

> For further information please contact John Elphick at our Chester City centre office.

## Congleton, Cheshire Freehold Industrial Development Land

8 Acres Available in Plots by Arrangement

For Sale

All Enquiries

Percy Street, Hanley, Stoke-on-Trent STI 1NF Tel. (0782) 260222 Fax: 6782 287874

Ref: Michael Herbert

JOHN D WOOD 23 Berkeley Square, London W ( X 6AL

Tel: 01-629 9050 Fax: 01-493 9815 Ref: Rupert Wheeler

#### HOW TO GET THE BEST SERVICE FROM A PROFESSIONAL REGISTRAR.

MANCHESTER - LONDON

Take the advice of one of the world's largest banking groups before you enter the Market, or appoint a Registrar.

Barclays Registration and New Issues have helped many companies and offer a comprehensive range of services to meet your needs.

Everything from running your register to further issues of your share capital. So if you would like a quotation contact: Mike Dee, Manager, Registration on (0606) 40440.

Or write to him at: Barclays Bank PLC, Registration and New Issues, Octagon House, Gadbrook Park, Northwich, Cheshire CW9 7RD.

And we'll make sure you get the best service when you come to the Market.



# Risley Laboratory

Multi-disciplinary contract R&D, over 300 professional staff, £24M turnover.

Diverse capabilities include: industrial and aerospace tribology; non-destructive

testing, including field inspection service and inspection validation; applied chemistry;

instrument development; structural integrity assessment and component proving.

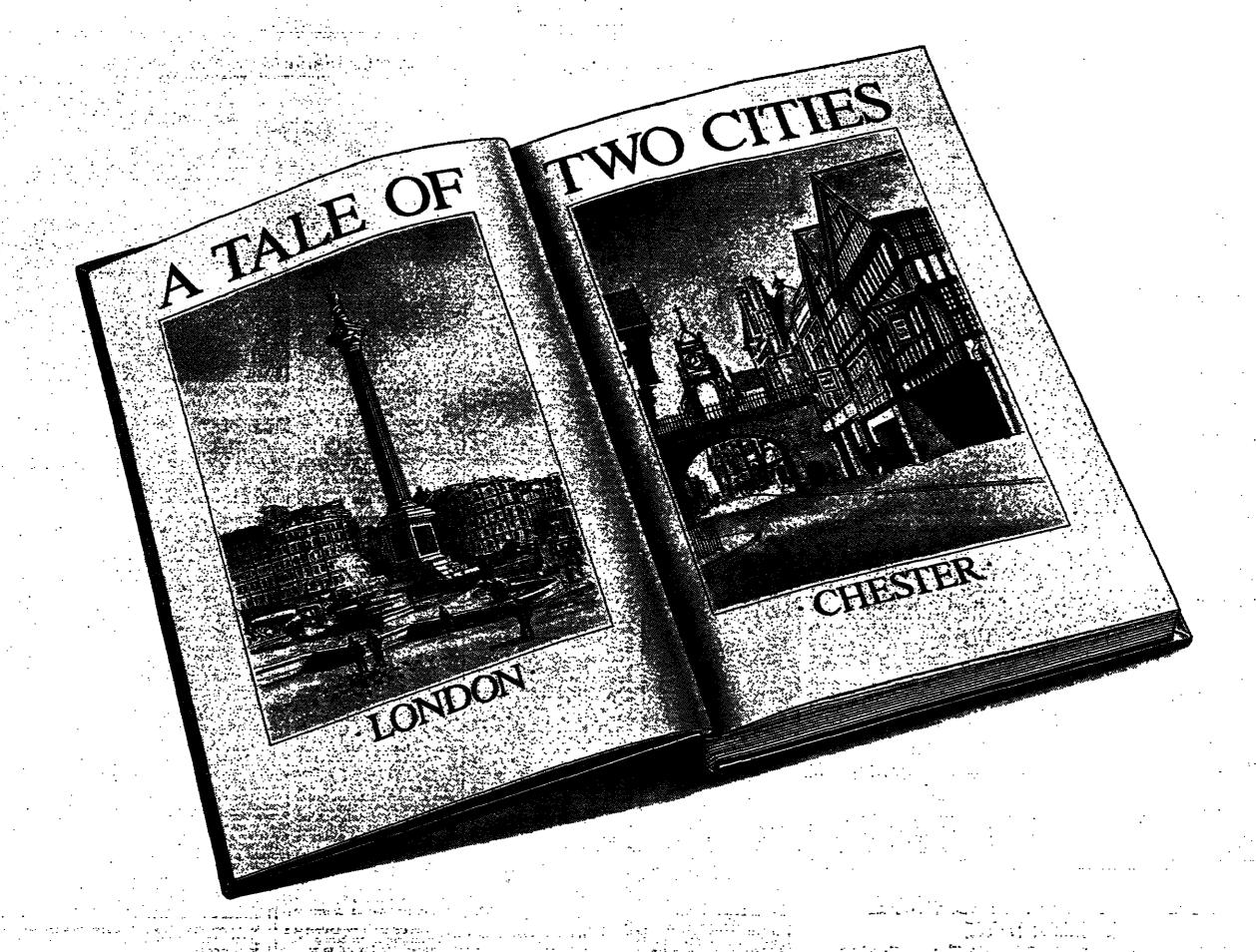
Proven project management, quality assurance to BS 5750 and BS 5882.

#### Applied technology for industry

For problem solving or research and development contact us now at:

The Laboratory Manager, Risley Laboratory, Northern Research Laboratories.

UKAEA, Warrington, Cheshire WA3 6AT. Telephone: 0925 31244 Ext. 2607.



# A moving story from Shell Chemicals.

The movement of Shell Chemicals from central London to the Chester Business Park is the beginning of a new chapter in the Company's history. It's all part of a long-term business strategy and a programme of investment designed to equip the Company for the challenge of the future.

Shell Chemicals' manufacturing bases at Stanlow Refinery near Ellesmere Port, and Carrington outside Manchester already make a major contribution to the economy of the North-West. With its Head Office now located within easy reach of these sites, the Company's sales, marketing, distribution and manufacturing activities can be more unified in purpose and responsive to market demands.

The move has enabled Shell Chemicals to custom build an open working environment which accommodates the latest information technology and promotes team-work and the interchange of ideas. Heronbridge House is such an environment and its design and layout greatly improve the Company's ability to provide a more efficient level of customer service.

On another level, the North-West provides an infrastructure of communications and business support which is necessary to sustain the many services a company like Shell Chemicals needs to run its business.

While, in the city of Chester and the surrounding regions, over 220 Company employees and their families can look forward to a new quality of life in an environment which provides most of the facilities and amenities one could wish for.

In less than 18 months, Heronbridge House has become the Head Office of a Company with a turnover of over £600 million, a portfolio of around 2,100 products and a customer base of 2,800.

For North-West business and the region in general this is a story with a very happy ending indeed.



The 100-year-old Anderton Lift, which is being restored to working

for 17 years. It is about as long since the city was listed and the late Sir Nikolaus Pevsner claimed, in his Buildings of

England series, that 95 per cent of the black and white buildings were clever Victorian fakes. Pevsner asked whether The

Rows were essentially medieval. Recent work by Chester's conser-

vation officer. Mr Andrew Brown, has shown that indeed they are. Further investigation of The Rows has revealed much of the

structure of early 13th century great halls set deep behind the

Some of these apparently hum-ble stone interiors had been used

all the time as storerooms by

According to Oliver Bott the rooms, available to knowledge-

in Design, are unique in Europe.

Mr Bott's team made some interesting discoveries of their own during the process of listing. One was at Lower Carlton Hall

where the roof structure turned out to be of 14th century crown

post design.

And in a bedroom of a 17th century Acton Bridge farmhouse his archaeologist found walls

covered with naive murals show-ing the since-demolished Mar-

Robert Waterhouse

101

ole shoppers at Owen Owen or

Bridge Street.

cades of Watergate Street and

This index says a lot about the North-South divide, but it leaves a lot unsaid about the local con-

ditions.
The reasons behind Maccies-

field's affluence are more com-

plex, and more provocative, than

a simple study of employment patterns and car ownership.

stockbroker belt housing at Mere,

Alderley Edge or Prestbury.
It is, he claims, almost entirely
the result of industrious self-help
by small businesses which

emerged from the recession years before other parts of the North

The 1981 census showed Mac-clessield with 115 companies of 100 employees or more out of a total of some 2,500 businesses,

whose average payroll counted just 7.4 people. Mr Sanger reckons that since the census major employers have just about held their own while small businesses have processed to have much content of the c

have mushroomed to between 5,000 and 7,000.

Why is Macclesfield different?

"It must be in the water," Mr Sanger suggests, pointing up a lack of current research informa-

Macclesfield saw depression before the Second World War,

has been down a long way, but learned to recover. its relatively small mills - com-pared with the cotton towns -

bred a close support structure. These crafts have not been lost,

and even today there is a preference to spend hard-earned money

forseeable expansion.

The situation is more hectic in Wilmslow, where office rents are

## Nurturing skills and industries

CHESHIRE'S overall employment profile mirrors that of Britain. But the county is decidedly not Middle England. Blanket figures muffle a divide whose starkness is no less evident in that it is geographically East-West rather

than North-South.

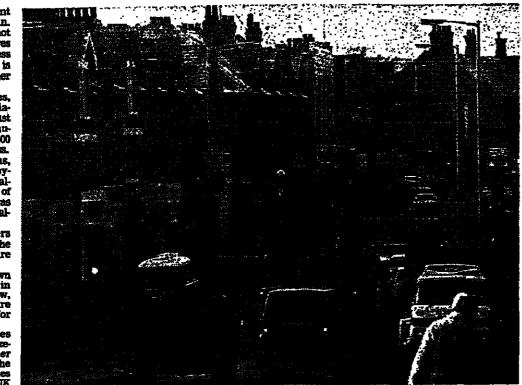
To put it in simple figures,
Macclesfield borough's population of about 150,000 included just over 4,000 unemployed in January 1988; Halton district's 122,000 reported more than 9,000 jobless. In travel-to-work area terms, Macclesfield's male unemployment rate was 7.8 per cent; Halton's stood at 20.9. The ratio of unemployed to job vacancies was 4.4:1 in Macclesfield, 24:1 in Hal-

Macclesfield borough covers the north-easterly section of the county, spanning the Cheshire Plain and the Peak Park.

Macclesfield is a textiles town but the other major centres in the largely rural area - Wilmslow, Poynton and Knutsford - are salthy commuter suburbs for

Halton district comprises Widnes and Runcorn, both sizewhiles and kinicip, both size-able towns facing each other across the River Mersey and the Manchester Ship Canal. Widnes remains the heartland of the UK chemicals industry, together with ICI's Runcorn production plants.

Other commercial activity in Runcorn is centred on the indus-trial areas created by Warring-ton-Runcorn New Town Develop-



Halton's image deficiencies Halton's image denomences - reinforced by all-too-apparent realities - are being addressed by a private-sector grouping, the Halton Development Association, whose task becomes more crucial as the wind-up date for Warrington-Runcorn Development Corporation apparaches. ration approaches.
The corporation's £1.6m promo-

tional budget and data-based tracking of investment sectors seem unlikely to be sustained after mid-1989. For the present, companies queuing up to move to Manor Park, Runcorn, include



moment.

A survey conducted by Halton council in December 1987 showed that 51 per cent of major employers expected to be taking on labour within the next six on above-average figure of 13 months. Most of the others (46 per cent) forecast a stable outlook.

Another encouraging aspect to emerge was the arrival of new generation chemicals companies rapidly as in parts of the South

development area status. The same of Runcorn's ageing deck-access housing, and its concentration of social problems, has to be resolved in the context of the West and other emerging regions.

and beyond.

In Macclesfield, the reverse

In Macclesfield, the reverse applies. Everyone wants to live there. Statistics published recently by the borough council show Macclesfield to be high in home ownership (68 per cent), car ownership (70 per cent of households, of which 28 per cent have two cars) and social categories (27 per cent of households have an AB head).

Macclesfield came top of Prof. A.G. Champion's index of affluence in the North West, and 38th in the country as a whole, on a par with Hemel Hempstead, Resigate or Andover in the South of England.

housing the dirtiest and most capital-intensive industry sectors in the country. It has a massive land reclamation problem, both in terms of acreage and the residues left by decades of crude chemicals manufacturing.

Halton district council's teams, backed by Cheshire County Council, have made major progress, spending some £20m of derelict land grant in the last five years. in the North West. on a former chemicals dump, the Spike Island recreation area beside the St Helens Canal, and Write or 'phone for information (please state the 30-acre site of the Bowers Business Park, where ten acres have already been sold for retail

Graham Sanger: Industrious

comparable with Manchester city centre, and where the conflict between residents' concepts of those expanding within the New "village" life and expansionist

since January 1986, which sug- two-year YTS scheme in Macclesgests that the alimming-down field because almost all trainees

rapidly as in parts of the South East, is integral to the revival of Manchester's commercial ambi-

Robert Waterhouse

Our staff specialise in: .

Northwich | Winsford

Business start ups

Finance proposals

**Environmental heritage** 

## Listing buildings with enthusiasm

tre and offices.
It was also responsible for land-

ght imposing stone-built mills

Now, however, another private company, Cleveland Investments, is poised to convert Clarence

and create some momentum.

The nearby Anderton Boat Lift,

OLIVER BOTT, Cheshire County Council's conservation specialist. personally visited 1.350 buildings uring a comprehensive survey According to Mr Graham San-ger, director of Macclesfield Busi-ness Ventures, the local enter-prise agency, the borough's affluence has little to do with of Cheshire's historic buildings

between 1982 and 1985. Mr Bott says he faced a hostile reception in fewer than ten visits

the main problem was fending off cates of confes.

The result of the survey, in which council staff acted as agents for English Heritage, was to place 2,965 new buildings, cial list. A further 1,350 proper-With 2,060 firmly in the list and

not thought to be in need of re-survey, this has brought the tally of listed buildings in Cheshire to 6,375. At the time of local govern-ment reorganisation in 1974 the figure was 1,915. Up to 1974 only Chester had been surveyed in detail, and this scaping the surrounds of the mill, was reflected by its 716 protected which had been left vacant by buildings, compared with the next biggest concentration of just bought by a local company, Belwer by Month of the company and the converted by the con

 Now Macclesfield has 328, prop, which proceeded to convert Warrington 266 and Nantwich it into a hive for small busi-Equally important, rural propToday, more than 300 people
erties outnumber urban buildings work at Adeiphi Mill, and Belby roughly five to three and some
prop is set to convert the last
remaining section into a hotel.

entries.

In this spate of listing there is a central, serious shortage: grant add. Listed buildings impose maintenance responsibilities on their owners which are never than 25 remaining section into a hotel.

Mr Walter Menzies, Groundward director in Macclesfield, such that the change in Macclesfield, and their owners which are never the Adelphi success story is the manufactured of the Adelphi success story is the change in the Adelphi success story is the manufactured of the Adelphi success story is the change in the change in the Adelphi success story is the change in the chan

Cheshre's grant fund, hit by had already disappeared, some as the squeeze on local authority hardcore for the M6 motorway. finances, dropped from £58,740 in 1974 to a mere £29,369 this finan-

cial year.

Inflation-corrected, the fall has been from £29 to £1.16 per listed building. In fact, Cheshire allocates fust 0.010 per cent of its building grants.

Fortunately, the grant aid available from central government via town schemes in Great Budworth, Knutsford, Macclesfield, Nantwich and Sandhach. ment via town schemes in Great Budworth, Knutsford, Maccles-field, Nantwich and Sandbach, has multiplied over the years.

During 1986-7, £168,350 was spent in the five schemes, half of which came from owners and one quarter from Whitehall, with the borough councils contributing office to set m a visitors' contribution.

borough councils contributing office to set up a visitors' centre rather more than the county to and create some momentum.

the remainder.

In this climate of private currently being restored to workmathematic materials, ing order, will link the north and much conservation progress depends on coordination by civic societies, and by bodies such as the Cheshire Landscape Trust, the British Trust for Conservation Volunteers, or Groundwork, the national environmental trust operating through local bases. Groundwork's five-year experience at Bollington, near Maccles-field, has been encouraging enough for it to be invited into Vals Royal Borough by the dis-

trict council. The organisation's small professional staff specialises in squeezing grants out of authorities and contributions out of local industry for a range of Community support is offered free, but Groundwork boisters its resources by selling professional services to industry at commer-

cial rates.
Last month, Macclesfield Groundwork Enterprises received a Royal Society of Arts Better Awards for Industry commendation from Prince Charles for work done at its own base of Adelphi Mill in Bollington.

Groundwork took over the mill gate lodge in a derelict state,

MS

MURRAY SMITH & Co.

For over 80 years, Murray Smith & Co., has

been a major source of financial advice in Cheshire. Today, we are one of the largest

Computer installations
 Tax strategy reports.

551238

Let us be your business partner. Contact:

Three Cheshire offices serving the community.

Grant selection

Corporate planning

Sandback

762531

accounting firms based in the county.



MANCHESTER LIVERPOOL 43 Castle Street L2 9ST 77 Fountain Street M2 2EE Tel No. 061-228 3924 Tel No. 051-236 1131

Fax: 061-236 1108

**\* TOTAL ASSETS** 

Finlay Robertson

MEETING

CHESHIRE'S

CHALLENGE

ANNOUNCING... "COMPANIES IN CHESHIRE"

**\* TURNOVER \* PROFIT** 

Fax: 051-227 2729

A New ICC Regional Company Survey providing you with information on over 2000 Cheshire based companies. The Survey gives you details of:

**\* ACTIVITY \* ADDRESS \* TELEPHONE NO. CONTACT NAMES** Plus key Financial Data:

Order your copy today. Price £180. Contact Gareth Evans, ICC Information Group Ltd, 28-42 Banner Street. London ECIY 8QE. Tel: 01-250 4149.

**ENERGY** CONTROL

From the Designers & Manufacturers of:

Automatic Process Control Valves

Contact Type
 Desuperheaters

Liquid Level

Gauges and Valves ÇOPEB-VULÇAN

Road Two, Inclustrial Estate, Winstond, Cheshire CW7 3GU, p: O6O6-552O41 Telesc66877 Telecopter: O6O6-558275

(ne of the White Consolidated Industries



**Executive Search Consultants** 

Bridge House, Ashley Road, Hale, CHESHIRE

Tel: 061 941 3818

AMSTERDAM ATLANTA BRUSSELS CALGARY CHICAGO DALLAS DUSSELDORF FRANKFURT GENEVA HONG KONG HOUSTON LONDON LOS ANGELES MADRID MANCHESTER MELBOURNE MILAN MONTREAL NEW YORK PARIS SAN FRANCISCO SAO PAULO SINGAPORE STAMFORD STOCKHOLM SYDNEY TOKYO TORONTO ZURICH

**Brand new Crosby homes** 

Beautiful new homes, in a wide variety of designs and sizes, are now available on superb

developments throughout the North West. location required). Cheskir 14 Old Market Place,

the quality of living

More amber (shehend der Ormskirk Rainford Rochdale

town.

By contrast, the affinent householders of Prestbury are only too
happy to employ Macclesfield
companies to sort out domestic
needs. Mr Sanger points out that
DIY warehouses have yet to
make an impact on the traditional ironmongers and builders'
merchants of Macclesfield.

As in most successful areas,
the pressures are growing on the pressures are growing on land and job skills. Macclesfield is lucky in having a business park at Tytherington and an industrial area at Lyme Green for

Town as well as those arriving businesses cause all sorts of from without. There has been a slight drop in On the skills front, Mr Sanger unemployment within Halton claims that there is no need for a

rocess has finished for the

attracted by labour skills and

be resolved in the context of the new Housing Bill.
Halton has shown as little skills and industries, and by enthusiasm for acquiring this repossibility as it did when Runcura and Warrington New Towns were amalgamated.

Theretic steat progress in

were amalgamated.

Despite great progress in rehabilitating older terraces, and some popular new private estates, the borough sees much of its workforce disappearing each night under the MS6 to Frodsham and beyond

How to get the expertise of a National Firm from a local Accountancy **Practice** 

Telephone: **NOEL GUILFORD** on 0244 351616 Spicer & Oppenheim 1 Grey Friars, Chester CH1 2AW.



SPICER & OPPENHEIM A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

# WARD BLENKINSOP

FINE CHEMICALS

Located in the North-West of England, the traditional home of the British Chemical Industry, Ward Blenkinsop has nearly 50 years of fine chemicals experience and expertise, specialising in Pharmaceutical & Agrochemical Intermediates, Industrial Specialities and Custom Synthesis.

A Royal Dutch/Shell subsidiary since 1980, the Company in 1987 became a wholly owned subsidiary of the new joint venture company International Bio-Synthetics B.V. (IBIS) formed by the Royal/Dutch Shell Group and Gist-brocades and with Headquarters in Rijswijk, Holland.

The combination of the fine chemicals skills of Ward Blenkinsop and the bio-technology skills of the Industrial Enzymes Division of Gist-brocades means that the new company is uniquely positioned to apply bio-technology to the fields of fine and speciality chemicals in all industries.

In December 1987 Ward Blenkinsop was accredited by the British Standards Institution to quality standard B.S.5750 Pt.2 1987 (ISO 9002), thus assuring customers of continued high standards of quality and service.

> Halebank, Widnes, Cheshire WAS 8nS Telex:629491/2 Telephone: 051-424 3671 Fax: 051-420 1301 Cables Duochem Widnes.

#### **CHESHIRE 5**

Transport links and environment boost demand for property

## Focal point for development

THE HIGH QUALITY of the environment that drew light industrial and high technology companies to spread down the M4 corridor in the South is now working to draw them into

A dense motorway network and proximity to Manchester Air-port are providing the communi-cations infrastructure that is a prerequisite of major develop-

The development is not general nor, indeed, would the planners - nor, indeed, would the planners want it to be with Green Belt land to protect - but there are signs now that is spreading out of areas favoured by special tax

Last year, the chartered surveyors King and Co carried out a survey in an attempt to identify latent demand and found that there was a potential take-up of half a million square feet, with a preference expressed for the area south of Manchester. This d is now coming through on to the market.

Another focal point of development has been Rimcorn-Warrington New Town, into which 150 companies moved last year, but Grimley, the chartered surveyors, warns that its New Town status expires in 1989 and this should lead to more demand in other centres. One such centre is Ches-

What is happening is an intensification of development that started a decade ago. Part of this was the Birchwood Science Park in Warrington, established in the 1970s, and the early presence there of British Nuclear Fuels and the UK Atomic Energy Authority. This helped to draw in

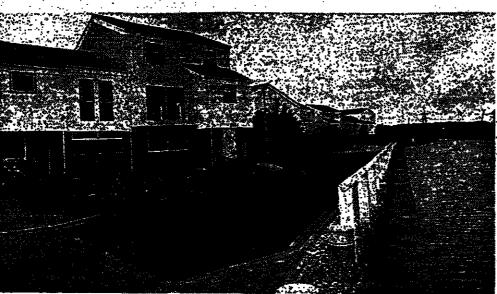
other, smaller companies.

Many of these companies have grown and have sought larger premises. Now the high tech

premises. Now the high tech movement is more widely spread, reinforced by the movement of companies into the area.

This is enabling, for example, Bovis Construction and Intercity Property Group to plan a 300,000 sq ft high technology business park at Didsbury, south of Manchester that would be greated chester, that would be geared towards the information-based

technology business park accommodation is behind Chester Business Park, which Alfred McAl-pine Properties is developing on 135 acres. It has drawn in St Michael Financial Services, the Marks & Spencer subsidiary, Shell Chemical and Videcom, the



pleted by next June.

Since the Government issued a New Use Classes Order last year, the division between industrial and office premises has been eliminated, so that high tech accommodation can be a syn-onym for offices. Hence the popu-larity of the term "business park"

ton, development director of the carroll Group, there is nonetheless "presently a shortage of good quality new office space in this (Runcorn-Warrington) part of the North West, and substantial unsatisfied demand is confirmed lished independent survey. reports. And not only in Runcorn-Warrington, of course.
The Carroll Group is investing

£43m in Runcorn-Warrington. buying both existing property and land from the Develor Corporation. It is planning a corporate office park and the continnation of a building programme, designed by the Development

towards maintain Now Crewe and Nantwich bor tum of growth at Runcorn-War-ough council and Cheshire rington, where in recent years county council are seeking to some 850 companies have arrived exploit the demand for space by and 12m ag ft of space has been establishing Crewe Business taken up. The without of pub-park on a site of 87 acres. The establishing Crewe Business taken up. The withous war or practice first stage of work to open up the of the Development Corporation site, provide an infrastructure of hasic services and establish its assets, could leave a funding access roads, should be companied by most live.

of the Carroll type.
In south Manchester, by contrast, development of the business space market has been in the province of the private sector. Much of the space that has been provided for the growing office market has come from local companies and only recently has there been much indication of interest by institutional inves-

Orbit Developments, for example, has been active in the Wilms-low area with office and high 40,000 sq ft development to the Trustee Savings Bank. Swinton Goddard is another company which has completed office devel-opments, this time in Sale.

The area south of Manchester has been leading rents in the area upwards towards £10 a souare foot as demand has been truming the space available.
"The most significant feature
the South Manchester market has been that the last dozen new developments have nearly all been taken up by single large space users," say Dunlop Hey-wood, chartered surveyors.

THERE IS a realisation in Chesh ire that tourism is the sector with the county's biggest poten-

After years of scepticism peo-ple are beginning to agree that, properly managed, tourism can properly managed, whirism can reinforce a virtuous circle of improved environment and better amenities which should bring equal benefits for residents and visitors alike.

As an industry tourism has been elected to catch held in the

As an industry bourism has been slow to catch hold in the county as a whole because, Chester apart, there is no single place where people instinctively head. And Chester, for all its interest, tends to be a half-day stop en courte to the Leke Dietrick or route to the Lake District or North Wales.

Though nobody had paused much to think about the rest of the county, Cheshire's country-side spans 2,000ft hills in the Peak District National Park and some of the most typically English rural scenery, unspolit by EEC incentives.

Its industrial past is a unique heritage in the process of being carefully restored and explained. The challenge lies in marketing The charlenge lies in marketing such diversity.

Between them, the North West Tourist Board, Cheshire County Council and the district councils

have agreed a marketing plan which is already showing results at trade fairs. nember of the tourist board, part

tourist boards which promote native gateway, particularly for North American visitors. The south side of the runway on which they land is indeed Chesh-

of newly built prime space of nearly 200,000 sq ft, and many of the buildings were pre-let or

secured during the building phase," Dunlop Heywood says.

Although much of the attention in recent months in Cheshire

has been on the provision of busi-ness space, the retail sector too has been active. The county has

shared in the national boom of

retail development and the thirst

for space has led mevitably to

As an indication of this, last autumn Scottish Metropolitan

units, 140,000 aq ft of space in all, at Chester on rents of up to £6 a square foot. This was thought to

be the highest ever paid in the North of England for any non-

food retail warehouse park. Yet the retail sector in the

smaller centres of the county is inevitably overshadowed by the

plans for major shopping centres in the Manchester area, the

shopping space in the Liverpool docks and for a major new park on Deeside on the site of the old

Shotton steel works.

Everything now is in the balance with the focus of attention on the planning inquiries which

have been taking place on the Manchester proposals. But retail-

ers in Chester have reacted strongly to the Tarmac proposals

Paul Cheeseright

There is no shortage of inforand Recreation Department, mar-ket leaders in setting up country parks in the late 1960s, publishes a series of readable guides to the parks, trails and themes which abound. The guides supplement a 50-strong ranger service, whose current philosophy is to encourage visitors to use maps and explore for themselves.

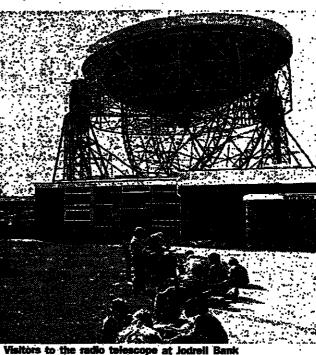
County council information is

supplemented by the districts -for instance, Macclesfield - which market themselves as the Chesh-ire Peaks and Plains. And there are an increasing number of places to stay as farmers' wives turn to bed and breakfast or fur-nish self-catering cottages to bol-

In comparison with York, Ches-ter may be a major shopping success but runs a poor second in attractions for the visitor despite its blue-chip history. The city hopes to change this with the £12m Deva Centre, on the lines of York's Jorvik Viking centre, and ased around the half-excavated

It is a controversial scheme involving demolition of a listed building which presently sits on part of the amphitheatre, and <u>Tourism</u>

## Sector with the biggest potential



awaits the Environment Secretary's decision after a public

With marketing the key to tourism promotion, it is per surprising that the Chester Mar-keting Bureau, a private com-pany backed by the authorities, ran into financial problems at the end of 1987 and is currently in liquidation. It seems the bureau attempted to operate on too wide a spectrum of activity.

Talks are in hand to replace it.

with a new organisation, jointly funded by the public and private sectors, whose sole remit will be promotion and marketing. Meanwhile, the city council has reopened the tourist information centres and the North West Tourist Board is keeping marketing initiatives intact.

In terms of current tourism projects receiving North West Tourist Board and and English Tourist Board grant aid, Cheshire has a £78.8m programme. This breaks down into £10.6m for schemes opened in the last six months, a further £30.5m for

£38.2m on 17 firm projects. A further 24 are at preliminary pro-

counties, the figures are not impressive Lancashire, for exam-ple, has a £128.6m programme, including 13 projects worth £84.4m under construction. Merseyside's total is £226.5m, while Greater Manchester has £318m tourism investment in hand, of which some 17 firm projects are worth £222.2m.

The North West Tourist Board's director, Mr Stuart Mitchell, warns against the danger of assuming that Cheshire is doing badly. "You have to compare like with like. A lot of the Messeyside investment comes via the development corporation. Marchester is a motor dynamic. Manchester is a major, dynamic commercial centre. Both qualify for a range of grants often excluded from Cheshire. The county, centred around Chester, in fact has a very buoyant tourist industry."

The breakdown of investment within Cheshire shows, as one

might expect, that Chester itself is attracting the greatest share (£40m). However, Mr Mitchell believes that the other districts are poised to benefit. "They are conducting strategic surveys

suitable sites for acceptable development. Then right type of investment will come along."

Research suggests that Cheshire claims about 13 per cent of the North West tourist cake. During 1985, the lost research which ing 1985, the last year for which figures are available, between £65 and £75m was spent by visitors to the county, of which £31m repre-

sented overseas tourists.
Estimates suggest that 25-80,000 jobs in the county now depend on the tourist trade. It is a number which is sure to be swelled as Cheshire raises its profile in the South East (weekend breaks) and the West Midlands (day visits). Communications are so good within the region and with North Wales that it makes sense to market the country in a package.

ket the county in a package which can include holiday cities. As for the county's indus-trial heritage - like Macclesfield silk, Northwich salt and Widnes chemicals - the growing profes-sionalism of the North West at presenting its past will help provide coherence and reinforce

opening to Langollen on the one side and Manchester on the other

side and Manchester on the other.

- as an exciting tourist prospect, particularly when the Anderton Boat Lift linking the two systems becomes operational again.

The county's special place in canal history has already been recognised by the National Waterways Museum at Ellesmere Port. Projects within assisted areas qualify, of course, for European Commission monies channelled by the Mersey Basin initianelled by the Mersey Basin initia-

One such hopeful is an £18m hid for a marine leisure centre on the tidal River Mersey at the inland from the Runcorn-Widnes

As a pot-pourri of attractions
Jodrell Bank, Mow Cop, LittleMoreton Hall, Tatton Park, Styal
Mill and the lived in country
houses, together with unspoilt town centres such as Nantwich and Knutsford, offer a challenge to other counties. The country-side is patchworked with footpaths, including the Sandstone Trail from Frodsham to the Shropshire border and the Gritstone Trail from Lyme Park to

Staffordshire.
Mr Anthony Goldstone, chairman of the NWTB, says that the parochial interests inherent in tourism must sink their differ-ences to fight the overall cause. "Industry and tourism are one and the same," he claims - with the proviso that tourism, especially in the North West, is also

## Wherever you look you will see our best advertisement.

You don't have to go far to see our work.

Wherever you live. And our work is our very best advertisement.

Just down the road, for instance, you will see new motorways, by-passes, bridges and coastal defences that we have built. You will see our hospitals, schools, churches, hotels, shopping centres, offices, libraries, factories, warehouses, as well as sports centres, swimming pools - even the occasional wine bar.

You will find us developing business parks and new centres for industry, retail and commerce, attracting new jobs and prosperity to areas that need both. Rejuvenating run-down or forgotten parts of inner cities or the country, to provide fresh opportunities.

You will see the thousands of new homes we have built with style, character and quality for all age groups in an environment they can enjoy.

And we supply the right ingredients too - up and down the country - which make it all possible. Bricks, concrete products, doors, roof trusses, joists, scaffold boards, slate, stone, sand, gravel-the building blocks of society.

Those are our projects that you see. But do not forget the pipelines which bring vital services to home and industry. The power stations, dams, and refineries which provide your heat, light and water. We build those too.

Our best advertisement is our work. And we take pride in our advertisements.





hin boa

ket, majoring on the attractions of its pedestrianised streets, its

historic sites and its closeness to the North Wales mountains and

Chester is also hoping to trump York by creating a new multi-me-

dia centre on the site of the half-

excavated Roman amphitheatre. The Deva Centre proposal has been though a public inquiry pro-

cess after meeting stiff local opposition. It would involve,

among other things, demolition of a listed building on the site -

and up to 1m visitors a year are

Can the city succeed in strengthening its employment base, its housing spread, its shop-ping, hotel and tourist facilities

without jeopardising the unique flavour of an historic county

town? It is a game Chester has played before, and generally come out in front. But the stakes have never been higher.

<u>Small businesses</u>

## Success from on the spot advice

movement Britain in the 1980s should go to Macclesfield.

There the number of small firms (with anything from one to 50 employees) has doubled in the last six years to more than 5,000. They make a living by doing almost anything from servicing mill machinery to designing note-

A common thread linking these Macclesfield entrepreneurs is nies. from within the local economy; it is by any standards a vigorous small business community. In a number of respects the town is a model for the small business

movement throughout Cheshire. This success in Macclesfield has more than a little to do with the nature and history of the town. It is a comfortable place in Cheshire plain and the Pennines. Well separated from the great manufacturing areas of the North West, it has traditionally been accustomed to looking after

Macclesfield's prosperity rose and fell with the fortunes of its silk industry. Mr Graham Sanger. executive job with Shell to run

In the centre of Britain in very sense of the word, Crewe &

Vantwich offers everything in ndustrial Developm

An excellent choice of purpose-built industrial units from 400 to \$5,000 square feet,

and greenfield sites from 1/4 to 87

scres, in both town and country

character of the old world with the benefits of the new. Including

excellent air, rail and motorway links to every major commerical and industrial centre in Britain,

Get the facts and see for

yourself how a move into Crewe & Nantwich could be a move par

THE HARD FACTS BEHIND INDUSTRIAL EXPANSION.
HERE THEY ARE IN BLACK AND WHITE

The Macclesfield agency has pursued a policy of sturdy inde-pendence which seems to suit the style of the place. The agency manages on an income of £32,000 a year entirely contributed by 40 local sponsors - representing industrial and commercial conhanks, and service sector compa-

Most unusually for a local enterprise agency, it does not take a government grant of up to £20,000 a year that is available to it. "We believe it is worth sacrificing that cash for the independence we preserve." Mr Sanger

by the local business com the local community. We are not

risking anyone else's money."

The largest single group among clients asking the agency for help and advice is made up of individuals already employed by companies which are ambitious to create their own busines

Mr Sanger says that their most executive job with Shell to run
the local enterprise agency (Macclesfield Business Ventures),
believes that dependence of a
dre-standing community upon a
single industry caused the townspeople to begin thinking long and
hard about their future as far

Mar Sanger says that their most
pressing need is always good
advice. The agency makes a special point of giving priority to
business counselling. That
demand keeps busy a staff of
three full-time and four part-time
counsellers together with a panel

CREWE & NANTWICH

Borough of Crewe & Nantwich,
The Municipal Buildings, Earle Street, Crewe, Cheshire, CW1 2BJ.

David Griffiths or Doreen McKenna on (0270) 583191. ext. 477 or 476

INTERACTIVE

**MARKETING** 

"A measurable return on your

bromotional investment"

\*Interactive Marketing\* is the unique Business to Business Marketing communication service responsible for

Based in Macclesfield, Cheshire, and Cambridge, the

● ASEA BROWN BOVERI ● BAGGERIDGE BRICK ● CABOT ● COSTAIN PETROCARBON

● HILTI CONSTRUCTION ● HOLT LLOYD

● ICI PHARMACEUTICALS ● STANTONS ● TAC

◆VALOR CATERING EQUIPMENT To find out how 'Interactive Marketing' can help

your marketing effort, ring Olorya and ask for a free copy of

IAS ADVERTISING AND MARKETING LTD.
Queens Avenue, Macclesfield, Cheshire SK10 2BN Tel: 0625 34343.

McCorquodale Security Printers (Crewe) Limited are the market leaders in the field of Security Printing, offering a full range

• CHEQUES • CREDITS • RENT BOOKS • DIRECT MAILING

\*RATE DEMANDS - POLL TAX ENQUIRIES WELCOMED

Talk to the people who specialise in minding other peoples'

THE McCORQUODALE (CREWE)

the success of the UK's largest and most progressive

70 strong IAS team produces a return on promotional

investment, through 'Interactive Marketing', for a

Business to Business Agency.

nationwide client list including:

our 84pp Brochure.

CONNECTION

•GENERAL PRINTING

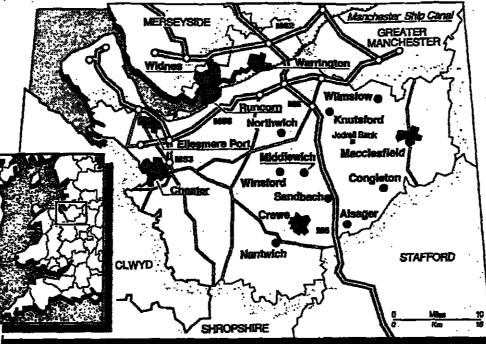
re, Chechire CW2 6HG.

ne: (0270) 215055 Facelitalia: (0270) 500008

McCorquodale Security Printers (Crews) Limited

business!

Frances Street,



cation. About 25 per cent of the contracts are British. of consultants drawn from local

The Macclesfield agency is housed in an old silk mill which is one of Cheshire county coun-Space for small businesses and training is provided in the building together with secretarial ser-

Mr Monty Cordwell, the field centre, and others like it using refurbished old buildings throughout the county, is the practical result of Cheshire's policy decision to help small busi-nesses to get started in cheap

"In the late 1970s we became painfully aware that a shortage of such premises was holding

The concept of the county's business generation centres can be summed up as: "Easy in, easy out." The council says that its brainwave of having the local enterprise agencies base themselves in the centres, and help look after them, has proved both successful and extremely cost

In unemployment terms, Cheshire has its black spots and its white spots. Broadly speaking, unemployment is highest in Chester and the west of the county (distorted to some extent by the very high unemployment on adjacent Merseyside) with rates of well above ten per cent.

However, on the other side of the county, in Macclesfield and nearby areas, unemployment is only 6 per cent and the ratio of the number of unemployed to job vacancies is only four to one compared with the county average of 11 unemployed to every vacancy. Throughout the county a mismatch between unskilled unemployed and vacancies requiring specific skills is becom-

However, the active programme of helping small businesses find their feet is proving effective in both the difficult areas of Cheshire and the more fortunate areas. The council is now offering a wide range of ser-vices aimed to help the budding

The county's business advisory service offers, like the local enterprise agencies, individual coun-selling. A business location service can provide full details of offices, factories, warehouses, and industrial sites available in

Overseeing the small business movement throughout the North tre in Manchester. The regional manager, Mr Richard Curry, says: "We believe that the best help for small businesses comes from the local level - which usucounty's employment promotion ally means via the local enter-officer, explains that the Maccles-

> says. The movement has gathered impetus more quickly than in any other region of Britain. Six years ago only four such gencies were operating in the hole of the North West, Now there are about 50 in the region

The Manchester centre has been building up a database over the past three years which can provide in minutes the answers that an aspiring businessman or woman might otherwise seek for weeks. It can instantly check the funding available to a particular case at national level, county council level, and local authority level, and can offer suggestions

The whole emphasis of the agency is on advising business. Mr Curry says: "We are not a jobs creation agency," we are a business advisory agency."

form has its roots in the business problems of the slump in the late 1970s. "People were bringing business problems to the existing government small firms service which it was not equipped to

Out of the problems of that time came the concept of helping businessmen mainly by expert counselling - the counsellers themselves being drawn from the ranks of industry and commerce.

So far this year the Manchester centre has monitored a big ire confirm that trend. One the-

offices, factories, warehouses, and industrial sites available in Cheshire. That service is also being used by companies in other parts of Britain and overseas which are thinking about establishing themselves in Cheshire.

Another service called Contact Cheshire brings together people with expertise or money to invest. And, through a computer link with Brussels, the county is providing free of charge details of all European Community public sector contracts worth over \$\frac{2}{2}\$ all European Community public sector contracts worth over \$\frac{2}{2}\$ 110,000 within one day of publi-

#### Investment in Design

The creation of the correct image for your company and its products or services is probably the most important investment that you will ever have to make.

this investment results in the improved

Invest a little of your time now and call







#### **CONGLETON BOROUGH Gateway to the North West**

The ideal combination of rural charm

and prime industrial potential. For details of sites and premises available, contact George Broadhurst, our Industrial

Development Officer, at Westfields, Middlewich Road, Sandbach, Cheshire, CW11 9DZ quoting ref FT

West is the Department of Employment's Small Firms Centhe local agencies by providing specialist counsellors and free

The growth of the local enter-prise agencies in the North West has been remarkable, Mr Curry ten of them in Cheshire.

about other financial source that might be tapped.

Indeed, the centre in its presen handle," Mr Curry says.

lar from people wanting to start new businesses. The enterprise agencies in the districts of Cheshory being advanced for the record number of inquiries is that pres-sures on skills, housing and busi-ness premises in the south of England are now encouraging businesses to look north again.

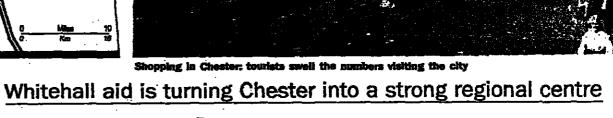
At Mustard Design we commit our creative, marketing and project management resources to ensure that performance of your business.

Alan Evans on 061-941 1538



Telephone: 0270 763231.





tion. The Grosvenor, under man-

ity Street. And so on.

Benefits from grant support is the city's popularity as a con-ference venue, based around hotel facilities. Chester speci-alises in the 100-200 delegate mar-

needed development status, and it symbolised the plight of the North West as a declining region. The reality was different. Chester had its problems, certainly. but they were no worse than other corners of the region strug-gling to maintain intermediate

area because, for some bureau-cratic reason best understood in Whitehall, it was parcelled with the Wirtal as a travel to work area. Chester benefited from Bir-

tenhead, and still does. Development area status, with its automatic grants, has proved the catalyst which is converting Chester from a small-scale York into a regional centre complemeniary to Manchester and Liverpool This change is happen-ing against a background of accepted, and improving, conser-

Chester is not necessarily going for more of everything, but for the better option. It is all, they say, about quality of life. That is what convinced the senior executives of Shell Chemi-cals to exchange their daily commuter struggle into Central Lon-don for country mansions a mere

ten minutes' drive from Chester Business Park. for £200,000 properties in the vicinity, where before anything over £100,000 raised eyebrows. The business park, which also houses St Michael Financial Services - the plastic card arm of Marks & Spencer - has gone so well that Chester City Council are countenancing a second-

earnament for ight industrial and office use at the M53 junction roundabout. The council says that development here will be self-contained, fully landscaped, and of limited environmental impact. Green Belt land has also

been earmarked for new housing on both sides of the city. Chester's excuse for pressing on in this fashion is that develop-

other services, as a major shop-ping centre for the county and North Wales, and in tourism. The city's retail advance started to take place well before 1984. A survey by Hillier Parker and Newcastle University estab-lishing a ranking order of ship-pring centres themselves Britain ping centres throughout Britain by the number of multiple retailers showed Chester leaping from 34th place in 1971 to 14th in 1984, ahead of much bigger centres such as Wolverhampton, Leices

More recently still, a poll of managers representing 180 funds with combined assets of £17bn put Chester sixth in the list of places they would be most likely to place retail investment. This reinforces the £9m undate

proposed £25m recast of Mercia Square into speciality shopping, which already has detailed plan-So what next? Most parties admit that the physical limit to aging director Jonathan Slater, is floorspace, and car parking, has investing film in a refurbishbeen reached in the city centre, ment which will make it one of Opinions differ about the wis
the most luxurious hotels in

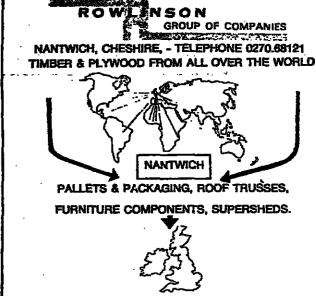
dom, or viability, of a comple-Britain. Queens Moat Houses are mentary out-of-town centre also building a 150-bed hotel in Trinbased on comparison shopping. The county believe this would work; the city say not.
Minds are likely to be concer trated by a proposal from outside the county, indeed outside the

Decade, into Wales but only min-utes from Chester. The centre would be perfectly placed to intercept traffic both from Cheshtre and North Wales Much would depend on whether the new environment could rival Chester's unique

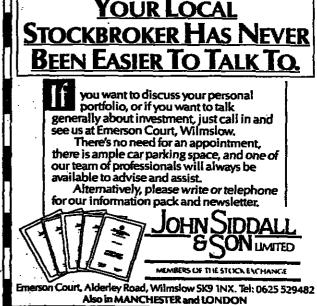
phase 100-acre site nearby on atmosphere created by and Green Belt land, albeit beside the southerly by-pass.

On the other side of town, a further 40 acres of Green Belt is earmarked for light industrial Street, Eastgate Street and Watergate Street is clearly enhanced by the speciality shops

hotels and restaurants, reflecting the fact that four-fifths of visitors



# YOUR LOCAL



**Process Plant** Blossoms in

Moss Side Lane, Rixton, Warrington, Cheshire, WA3 6HH. Tel: 061 775 3412/3

**L'heshire** Continued success in winning business in the UK and

overseas has entailed expansion into larger premises. Now we're even better placed to offer process plant planning and construction with an internationally proven capability and a range of services from front-end design to complete turnkey projects.



Chemical & Thorntal Engineering LitaRed 52 Alderley Road, Wilmstow, Chesture Sk9 1NY, BYGLAND. Tel: (0625) 532711. Teles: 669007 CHEMTING, Fax: (0625) 527497.



**LENDING SUCCESS IN CHESHIRE** 

NOT THE LARGEST.....

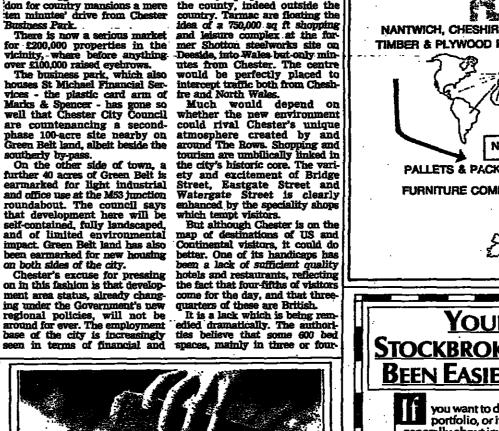
.....JUST THE BEST

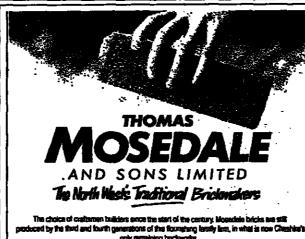
FINANCE FOR INDUSTRY AND THE CONSUMER

Century Industrial Services Limited Subsidiary of James Ferguson Holdings pic

35 Church Road, LYMM, Cheshire,

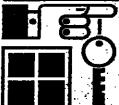
Telephone: Lymm 5441 (STD 892 575) Telex: 622595





#### SECTIONIV

## **FINANCIAL TIMES**



Although confidence in London's property market has taken a

knock since the stock

market crash, there is

still a shortage of commercial space in the West End. This has encouraged development to spread outwards to Victoria and north of Oxford Street. writes Paul Cheeseright

## Behind the billboards

on the lips of the property pundits these days. Like all such slogans, it has enough validity to sound attractive, but not enough to be absolutely convincing.

Yet it does reflect the bounding values of the West End and Victoria on the one hand and the psychological unease that has been evident in the City of London since the stock market crash last October. Having said that, it is worth noting that there were development companies quietly withdrawing from the City and concentrating on the West End even before the stock market

One result of the higher rents and the rising capital values of West End property has been to narrow the traditional differentials between the West End and the City. It is now becoming more accurate to speak of a Cen-tral London market, made up of different districts, with footloose companies, financial or otherwise, looking for buildings which suit their convenience somewhere within that wider com-

One of the distinct characteristics of the West End is that it does not have a huge stock of the large buildings which the con-

"SELL CITY, Buy West End" is a traditionally providing space in piece of advice often to be heard smaller lots. And this is inevitable, given the hig stock of listed buildings whose use has changed over the last century from opu-lent homes to office suites.

This quality gives the market a degree of diversity and protection which is unavailable for large footprint buildings in the City. But where there is a large building in the West End - Land Securities's Devonshire House or Legal and General's Lansdowne

are pushing towards £50 a square foot Legal and General is expect-ing rents of around £60 a square London Bridge City, in London foot at Lansdowne House, now Docklands and in the West End being marketed. These are the sort of rents that would sit quite happily in the core of the City. But there is another side to this and it has come through

ing on to Anders Nisses of Swe-



## **West End and Victoria Property**

ted incresse of space on the Central London market.

Here, then, was a note of cau-House, for example – then there tion, not for this year or even is precious little difference next but for 1990 and beyond. between the rental performance Legal and General can play the that is now expected and what market now. Dares Estates has to has been happening in the City.

Devonshire House rents have point that the West End section Devonshire House rents have point that the West End section doubled in the last two years and of the market will not be immune to the effects of a whole new and its immediate periphery.

As far as the West End and its iphery are concerned, this is not just a question of replacing old stock, as with Land Securi-Estates and Shaftesbury to back Buildings at Trafalgar Square or away from their plans for a Stag Place at Victoria Stag Place at Victoria, or the smaller scale, the Kumagai Gumi ment in the market, so that some redevelopment of Distillers buildings were changing hands three or four times, each price old Crown Agents building in redevelopment Westminister and sell the build. House in Mayfair.

development possibilities which that the field has been left tion and centuries of commercial results. Not having the resources of a have opened up with the Grey-been devoted to providing, group like Land Securities to coat schemes at Victoria and that the field has been left tion and centuries of commercial most clearly evident in coming results. This clash of demands will be the second. The historic reputation and centuries of commercial most clearly evident in coming with the structure of the second. The historic reputation and centuries of commercial most clearly evident in coming with the structure of the second. The historic reputation and centuries of commercial most clearly evident in coming with the second. The historic reputation and centuries of commercial most clearly evident in coming with the structure of the second of t

decided that the costs involved in Grainburst construction at Padthe redevelopment were too high dington goods yard, with the to risk in the light of the expected increase of space on the Cen-Board for Paddington Basin or those of British Rail Property Board at King's Cross.

All of this indicates the intense activity which has been taking place in and around the West End. But there is some indication that the stock market collapse will give some of this activity a different quality from that which it had until last October. The feverish bull market and

the readiness of investors to absorb the paper that property companies were putting out with such abandon spun off into the West End. The ability of the property development and trading companies to lay their hands on ready supplies of cash inevitably pushed prices upwards. It encouraged a strong speculative ele-

That sort of froth on the mar-

sise the pre-eminent importance in the market of the long-standing freeholders like the Crown itself, the Grosvenor Estate, the Howard de Walden Estate, the BP Pension Fund and, on different scales in the corporate network, of companies like Land Securi-

chant Securities, Peachey Property, and latterly Priest Marians. face, and they have not become less acute over the years, are the their premises

The central dilemma for the need to preserve the historic fab-ric of the West End that, in terms of tradition and reputation, has made the area a sought-after haven for international companies and a major tourist centre, with commercial development

The first has inevitably led to the second. The historic reputa-

least from the City of London itself. It is often forgotten that the West End with 75m square feet has the country's largest stock of offices.

But the companies, which provide the economic underpinning for the policies of conservation, are becoming more fastidious in ties, Great Portland, London Mertheir accommodation demands. A year ago, a survey by Richard Ellis, chartered surveyors, found Among the problems which that nearly 60 per cent of West landowners such as these have to End office users believed they that nearly 60 per cent of West were making compromises on planning dilemmas of, most obviously, the Westminister City facilities, they were in the wrong place and so on.

Out of this and the buoyancy council is how to reconcile the of the economy come the developter City Council cannot meet them all. Whatever it does will lead to antagonism somewhere, whether it be from local voters anxious to keep things as they are, or dissatisfied developers. There simply is not enough

space.
This clash of demands will be

Mayfair. These consents expire in December 1990, when im square feet of space should revert to resi-dential use. The council is han-

of the temporary consents on a case-by-case basis. Although the council, helped by bodies like English Heritage, is waging a stern conservationist fight, the whole thrust of plan-ning policy has swung towards giving the benefit of any doubt to the developers. This should ensure that the pace of commercial development in the West End

dling demands for a continuation

is maintained. At the same time, especially in areas like Savile Row and north of Oxford Street, the new Use ferentiate between light industrial and office use in the type of activity which may take place in a particular building, will lead to changes in character. Offices and studios are likely to spread at the expense of workshops. It is all a question of who can pay the most

The pace of commercial devel-

#### **CONTENTS**

Boom in Maviair

The retailing sector

Battle of principle

Developers benefit Oxford Street rush hour photographed by Roger Taylor

will be new buildings scattered over the skyline in the way that has become common in the City. There are not the large sites available. But it does mean, according to Healey and Baker, chartered surveyors, that "just under 6m square feet of new space will have been provided by

"Most of the new space under development now is limited in size and there are currently only three office developments offering over 100,000 square feet each," Healey and Baker adds.

Side by side with this office activity, the growth of the West End as a domestic and international tourist area has led to an increasingly frenzied search for new hotel space and a subse-quent upgrading in the value of those already in existence. This was clearly evident when Park Lane Hotels International of Hong Kong completed in mid-February the purchase of the Portman Hotel for £110m and indicated readiness to spend a further £15m on refurbishment. It was the largest single hotel transaction done in Europe

But it came on top of acquisi-tions by companies like Kennedy Brookes and Edwardian Hotels. It followed the disclosure of schemes by, for example, Lad-broke to bring the Langham, near Oxford Circus, back to hotel use and Imry Merchant Develop-ers to redevelop the St George's Hospital site at Hyde Park Corner as an hotel.

Hanover Druce has noted that, even at the lower end of the mar-ket, prices for hotels have been rising fast. One of the factors behind this has been the commer-cial desire to exploit the willingness of local authorities to pay considerable amounts for bed-and-breakfast accommodation for

"Basic rooms in poor locations, provided they are suitable for the homeless, soon command prices of around £60,000 a bedroom, Hanover Druce says. This, then. is the darker side of the vibrancy of the property market, a savage contrast to the other West End residential property market, where prices are higher than anyopment does not mean that there where else in the country.

# ALLROUND STRENGTH

West End · Covent Garden · North of Oxford Street · City

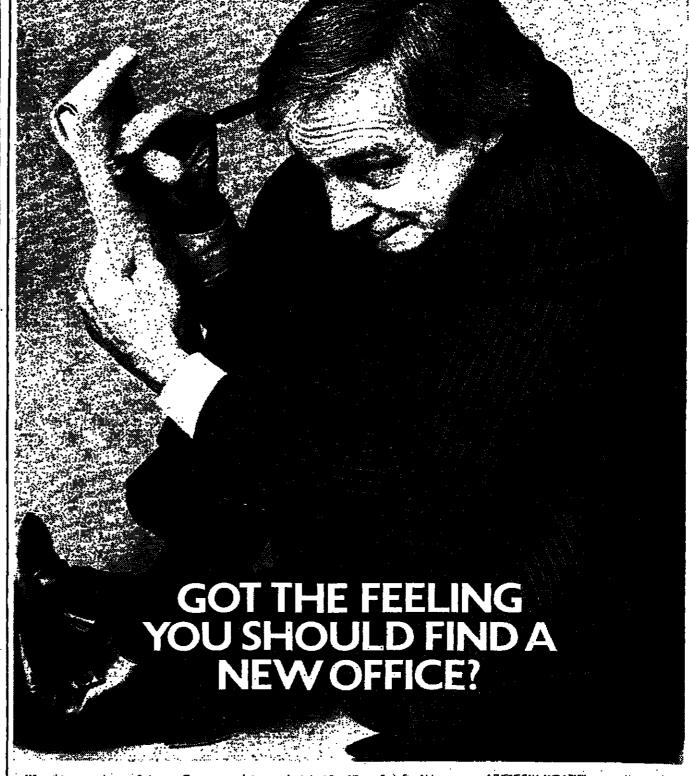
## ALLROUND SKILLS

Development · Investment · Trading · Management

GREAT **PORTLAND ESTATES** 

PROPERTY INVESTMENT AND DEVELOPMENT

Knighton House, 56 Mortimer Street, London WIN 8BD



ster or works harder than Edward Erdman. e-chap companies. And we do it many times a da

SOME OF THE NAMES THAT TRUST US

last year we've helped Sun Alfiance. Eagle Star, Nabarro Nathanson, and the Norwich Union to let or dispose of

If you're not, call anyway, just to make co-

## **WEST END AND VICTORIA 2**

#### Landmarks

## A gamble pays off

Close by the Houses of Parlia 1990s. ment, the former Crown Agents building on Millbank has changed hands for the third time in six months. Just before Christmas Mr Peter Levy, chairman of joint developer Shaftesbury, was is developers such as Dares boasting that redevelopment which have to decide whether to would be a roaring success because demand was outstrip-

ping supply.

He seemed confident it was worth every penny of the £22.5m paid last summer to Raleigh Enterprises, which had been set to develop an hotel. New plans were laid to create 150,000 sq ft of offices behind the Edwardian

"Interest already being expressed by potential occupiers may place a premium value on the building when completed in

Mr Levy is no beginner in UK's second largest development listening to offers of around 160 a company, Stock Conversion, until square making the running but it was taken over by P & O. But professional companies seeking

cing a profit of £3.5m from the

TWO LANDMARK buildings in resale to Anders Nisses, a Swedthe West End of London typify the conflicting traumas rippling through the market since the dark days of the autumn share coming on stream in the early coming on stream in the early

Many agents agree with Mr Levy that there will be too little rather than too much space in future, in spite of potential new supply, and rents will soar. But it which have to decide whether to gamble their money.

Legal & General Assurance took a gamble on another landmark development, Lansdowne House, which towers over Berkeley Square. It could have been pre-let at a record breaking £40 a sq ft more than a year ago, as the 176,000 sq ft building was the biggest new block in the West End at a time when financial groups were desperate for such space. But the developer refused to let it go. The stock market crash

came and went but the joint Smith and Richard Ellis, are now listening to offers of around \$60 a

the major development partner, professional companies seeking space from 8,000 sq ft upwards. By February, Mr Ervin Landau its chairman and an its chairman area.

main thrust came from property trading companies, as institu-tions remained disenchanted with the prices being paid. "They probably got it wrong." says Mr Allan Hubbard of Rich-

anys mr Auan numberd of Rich-ard Ellis. But the market was getting crazy and it was increas-ingly difficult to find sensible deals. pay Central London prices. An office block will cost £10m to £15m, which is about half the

property holdings to bring them back into a sensible relationship with devalued equity portfolios. For the first time in 18 months the West End market is seeing a

Development rather than tradwith UK institutions

stock, the agents say.

Completions Top rental levels Property trends £ per sq. feet Total availability 1984 1985 1986 Source:Richard Ellis Research

Portfolio deals have become more hard-headed since Black Monday

## This year's big players will be the overseas investors

Market pointers

End property investors as stock market paper flew like confetti in a wild binge of buying and sell-ing. Capital values had soared by as much as 50 per cent by the time Black Monday brought the

circus to a halt.

Now the field is much clearer, and the remaining players are taking a quiet breather while they assess the future. But there are still plenty of buyers around, encouraged by continuing rental growth and expansion of the non-financial sector.

Even if the big portfolio deals by companies such as Mountleigh and Priest Marians are excluded, the value of investment transactions boomed by almost threequarters in 1987 to nearly £1bn according to Richard Ellis. The

Development 22% 15% 63%

Source:Richard Ellis Research

looking for long-term invest-ments - perhaps outside estabbuildings as property companies have been forced to sell assets. Others have slimmed down their lished areas. But they will usually be restricted to smaller lot

have an almost exclusive run at anything at the top and of the market. Schroders of Australia World Property Fund, for instance, paid £12m for Macmilmore rational approach to invest-ment and a wider variety of lan House in Kensington High Street, while the Crown Agents building in Millbank was snapped up by Swedish group Anders Nisses only last month.

London is part of a global net-work including New York, Paris

and Frankfurt, over which inter-national investors like to spread their assets, says Mr Hubbard. Since the decline in the US, Britain has become more attractive, and in London that means especially the West End, since the stock market crash has cast a shadow over the City.

But the surge of Japanese investor interest has not yet materialised. Prime yields of 4.5 to 4.75 per cent are low by US standards, for instance, and will drift lower as initial base rents are left behind by the rising mar-ket. The main role of the Japanese has been as developers where they ignore the arithmetic of yields in a drive for construc-

Kumagai Gumi took a healthy profit from the Bournes redevel pment on Oxford Street and can look forward to a big capital uplift in its Distillers House scheme. Meanwhile, De Groot Collis is marketing 15,000 sq ft in New Bond Street developed by Shimizu, the first speculative site completed by a Japanese without

a British partner. Other overseas investors see set, however, to more than make up any reluctance by UK and Japanese investors. And with large developments planned for Victoria, Paddington, Marylebone and Kings Cross, it is likely that foreign funds and banks will constitute to plan a dearling and foreign funds and banks will constitute to plan a dearling and foreign funds and plants will constitute to plan a dearling and foreign funds and plants will constitute to plan a dearling and foreign funds and plants will be plant. tinue to play a starring role in the West End.

#### Planning disputes

## Hot potato of 'temporary' offices

of a politically active community of almost 200,000 people and the conservation problems of 10,000 manoeuvres of the opposition listed buildings. On the other is can of the world's most important office, shopping and tourist contrast bursting with demand.

Water have also been muddied. centres, bursting with demand Waters have also been muddled

voters but also realising that trial space to be upgraded to business pays the bulk of its offices.

The council remains generally

ple of years. Mr Sydney Sporle, the new planning director, beleaguered by a hefty report from the Chamber of Commerce attacking restrictive policies, now finds himself because it did not want tunder pressure from a grouping transformation to offices.

of the biggest developers in the But the hottest potato Westminster Property Owners'

by picking out conservation poli-cies, delayed planning applica-tions and the problems of tempo-sq ft of Mayfair buildings granted rary office permits as major ues for concern.

Conservation complaints, argues Mr Sporle, could best be aimed at the Government, which lays down the rules and responsi-bilities for preserving buildings. When you have more historic material than the whole of Bath cluttering up the place, room for manoeuvre can be limited.

Delays in processing planning applications brought Westminster into a chutch of councils criticised by Mrs Marion Roe, the junior Environment Minister. But one Westminster solution to charge for consultations with planning officers - may not be exactly what developers would

One of the conditions of Mr

ning disputes in the West End handling applications to bring are a running sore that refuses most within the statutory eight stubbornly to heal. The roots of weeks. But with 6,000 applications conflict are obvious in the City of tons coming in each year, westminster, which makes up including many complex commercial developments, the room to the area. On the one side are the needs for improvement will be less than

by uncertainty over changes in The fact that they are all com- the district plan governing Westpeting for the same space makes minster. A public inquiry due the likelihood of peaceful co-existence remote. The local authority alterations was cancelled by the inevitably finds itself caught council, partly to give time to between a rock and a hard place, consider the new use classes trying to respond to its resident order, which enables light industrial to the consideration of the consideration o

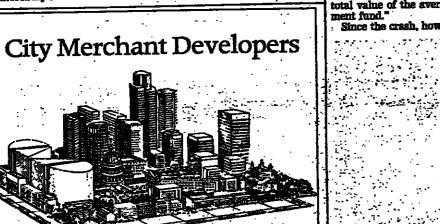
reforms come into force in a cou-opposed to new offices, according to planning specialists Montagu Evans. It recently removed the light industrial content from the development brief for one of its own sites in Grosvenor Road

But the hottest potato in the planning field is the fight between office landlords and tenants on one side and the council sq ft of Mayfair buildings granted temporary office consent since the war

Planners and residents say that these must revert to homes to prevent a further fall in the population. Owners and tenants want a compromise, saying the policy is unrealistic. Piquantly, it is the Park Lane headquarters of MEPC, one of Britain's biggest developers, that could bring the matter to a head, says Montagu Evans, which acted for MEPC at an appeal against refusal to continue office use.

The Government will have to make up its mind which side to back Either way, it could end up with some powerful critics in

David Lawson



#### Turning visions into reality

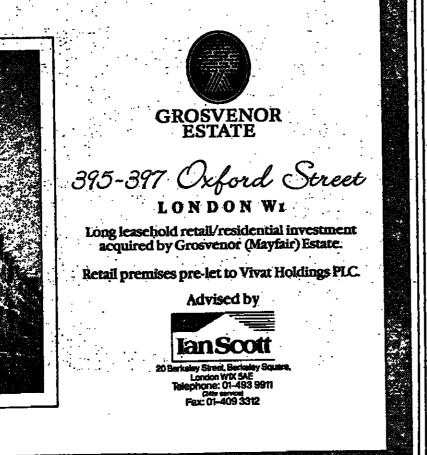
Ryder Street, SW1 79,000 sq.ft. offices, 5 shops and residential: funded, construction commenced, due for completion Autumn 1989.

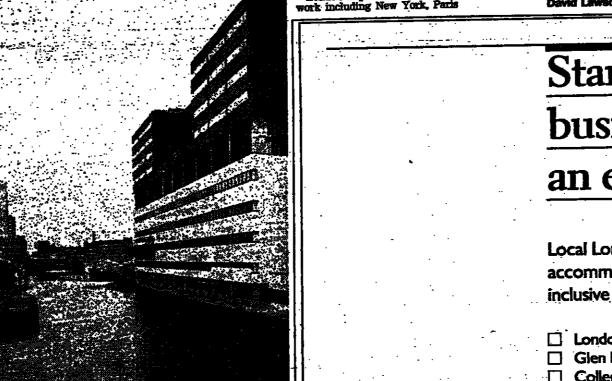
North Audley Street, WI 57,000 sq. ft. offices: funded, construction to commence shortly.



70 Fleet Street, London ECAY 1EU Telephone: 01-353 6565 Telex: 924369. Fax: 01-583 2007







## Starting a new business or expanding an existing one?

Local London Business Centres PLC provides all your accommodation needs with fully serviced units inclusive of rates and all operating costs.

	London House, 53-54 Haymarket, SWI
3	Glen House, 200-208 Tottenham Court Road, WI
	College House, 29-31 Wrights Lane, W8
_	n i i i i i i i i i i i i i i i i i i i

Britannia House, I-II Glenthorne Road, W6 Garden Studios, 11-15 Betterton Street, WC2

London House, 26-40 Kensington High Street, W8 Guild House, 36-38 Fenchurch Street, EC3

and soon to open:

Hamilton House, I Temple Avenue, EC4

☐ Surrey House, 34 Eden Street, Kingston-upon-Thames

Local London Business Centres also provides: 24 hour access Secretarial services Telephone answering Facsimile, telex and photocopying Meeting Rooms Telecom Gold

For further information about these or any of our 23 business centres please contact:

Miss D Hazzell Local London **Business Centres PLC** London House

100 New Kings Road London SW6 4LX Telephone: 01-736 3001

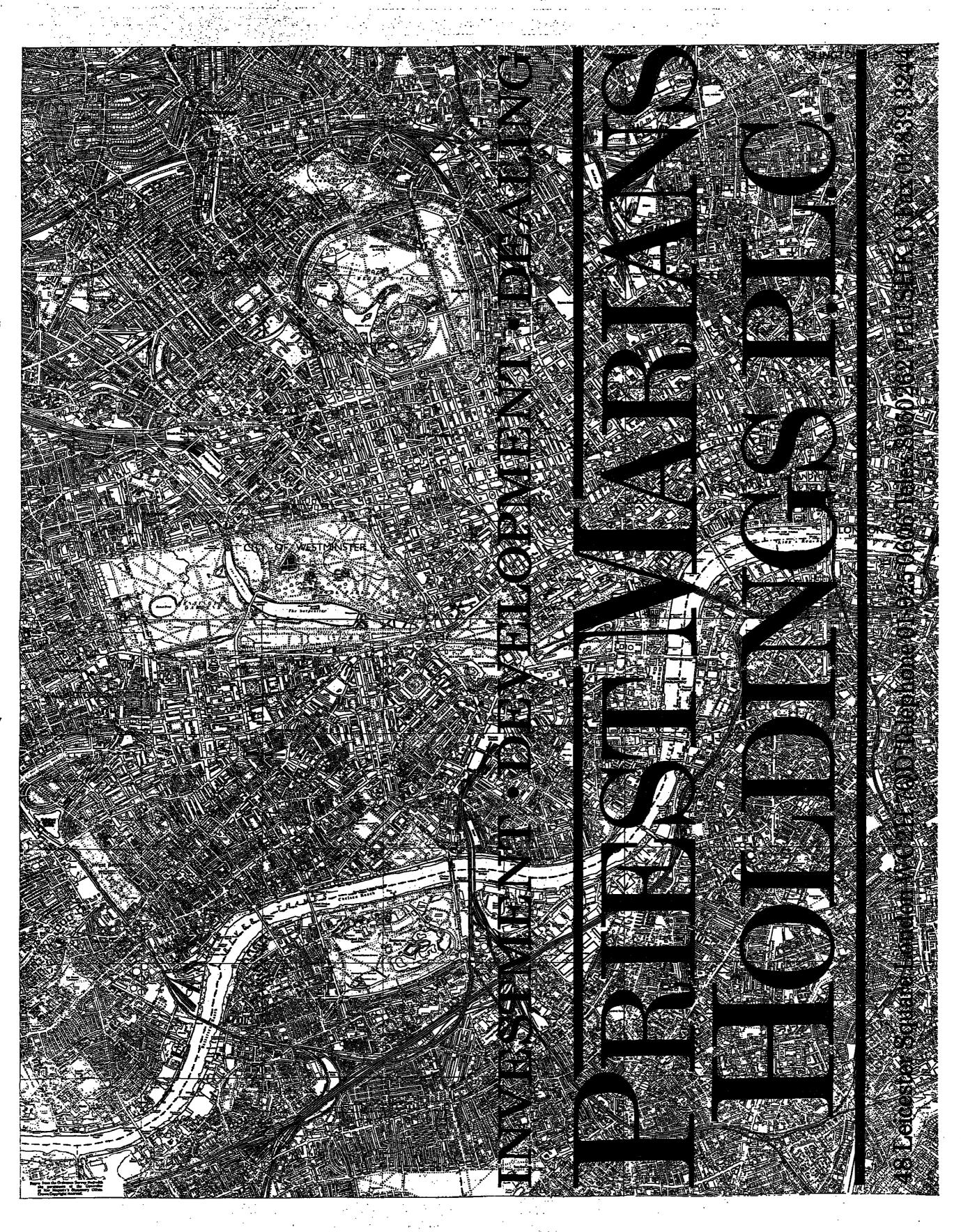
Facsimile: 01-731 7026

Miss A Gourlay Local London Business Centres PLC Guild House 36-38 Fenchurch Street London EC3M 3DQ

Telephone: 01-929 5252 Facsimile: 01-283 4466



Ces Cotato



#### **WEST END AND VICTORIA 4**

LOOK AT the residential property market and you might well wonder where the West End starts and fin-

The Post Office is not a great deal of help. Go by the post codes alone and you will be looking at properties out in Hanwell, the border borough beyond West Ealing that risks falling off the Greater London map altogether despite its

W7 coding. W4 is, if anything, an even more confusing label since the GPO managed to hang that on Chiswick. Charming though that particular stretch of Thameside suburbia may be, it hardly accords with the traditional Bertie Wooster image of a West End that positively demands the use of capital letters.

A solitary "W" on a letterhead is, then, no real guide to this abstract location, particularly since the exclusion of its diluted forms, such as "SW", would involve cutting West Endish areas such as Chelsea. Pimlico, and even Belgravia from the list.

Much the simplest way of finding the residential West End these days is to draw as tight a circle as you can afford around Harrods in Knightsbridge. They may measure distances to Central London from Charing Cross, but in the capital's residential market - and particularly in the international section of that market - Harrods has, for some years, been the focal point,

The mansion flat canyons of Knightsbridge - where a view of Hyde Park can add 25 per cent to the value of apartments that leave little change out of £400,000 and do not look uncomfortable measured

A short guide to the residential market

## The nearer you are to Harrods, the better off you'll be

in the low millions - sit at the top of most international buyers' shopping lists, although UK buyers have been giving them a run for their money in the past few years.

The remaining residential streets of Relgravia, those where the embassies and semi-official residences of London's part-time international community have yet to reach, have also been attracting an increasing number of Britain's new-minted USM millionaires and City high-rollers. They join the families with ingrained wealth who can afford, as Cluttons says, mews houses around the £300,000 mark and longer-lease Grosvenor Estate terrace houses from £1.5m or so. Mayfair, lying across the Park beyond Park Lane, north as far as Oxford Street, and over to Picca-dilly and Bond Street lost its residential pre-eminence - except upon the Monopoly boards - long before the creeping commercialisa-tion of its streets, it ceased to be a popular place to live simply because of the exceptional size of

so many of the town houses in the Wealthy Edwardian owners could just about muster the staff

necessary to make sense of these residential monsters. But they were already slipping into use as clubs, being subdivided into flats, or becoming offices in all but name in the interwar years. Nevertheless, the remaining Mayfair flats do regularly sell for £450 a sq ft, and the moves to end the temporary office use consents that were granted during and immediately after the war should return as many as 100 properties to residential use by the turn of the decade.

But few clerical commuters are going to hand over seven-figure prices for Mayfair flats, and so there is a pragmatic recognition in the council's view that Mayfair has an "unique residential function" providing top-of-the-market hous-ing that may only be occupied for part of the year.

Quite simply, Mayfair's future residential role is hardly envisaged to be that of an oasis of affordable homes for the locals. But then affordability is not a West End trait. According to the figures collated by the London Research Center from the databanks of the Halitre from the databanks of the Halifax Building Society, the average price of a property in the City of

sington and Chelsea was an even headier £113,900, making it the most expensive tract of housing in

Housing in the area around the Palace of Westminster, west into Pimlico, and north to join up with Victoria, benefits from the magnet appeal of living close to both the political centre of the country and the strongly international nature of so many of the companies with offices in Victoria.

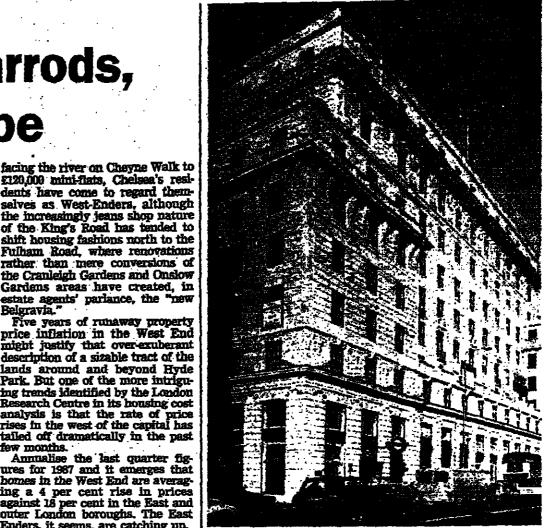
The oil majors may have reduced their presence there, but finance houses and associated service companies have taken up the slack, and both sectors have a sufficiently large number of globe-trot-ting executives to compete with the MPs, lobbyists and senior civil servants who vie for homes in the

The traditional appeal of Chelsea's freehold houses, lying beyond the leasehold borders of the major central London estates, is reflected in the constant spread of the name to areas that, by any standards, should really rate as Fulham or Kensington. From £2m freeholds

Westminster in the last quarter of facing the river on Cheyne Walk to 1987 was £106,900 and that for Ken- £120,000 mini-flats, Chelsea's residents have come to regard themselves as West-Enders, although the increasingly jeans shop nature of the King's Road has tended to shift housing fashions north to the Fulham Road, where renovations rather than mere conversions of the Cranleigh Gardens and Onslow Gardens areas have created, in

> Five years of runaway property price inflation in the West End might justify that over-exuberant description of a sizable tract of the lands around and beyond Hyde Park. But one of the more intriguing trends identified by the London earch Centre in its housing cost analysis is that the rate of price rises in the west of the capital has talled off dramatically in the past

> few months.
>
> Annualise the last quarter figures for 1987 and it emerges that homes in the West End are averaging a 4 per cent rise in prices against 18 per cent in the East and outer London boroughs. The East Enders, it seems, are catching up.



The area's office rents are now catching up with those in the City

## Government demand helps to Boom in Mayfair, while the fuel 50% rents explosion focus switches to Victoria

THE WEST END is ready to get 
When the stock market crash ship offices in prime districts – its own back for the years spent brought expansion to a half last and tight controls on supply overshadowed by the City of Lon-autumn, however, the West End keeps pressure for space high. don. Since the slump of the mid-1970s, it has never really matched the glamour of its neighbour, particularly after Big Bang saw demand for financial buildings

But office rents are now catching up with the hothouse levels en in the City core, and Mayfair and St James's could become the most expensive locations in central London by the end of the

Ironically, the West End benefired from the rise of the City. Financial groups spilt westwards because they could not find the big buildings they needed around the Bank of England. This helped boosted rents in areas such as Victoria - long considered the most sluggish part of the market.

inst a general business sector which has always provided the bedrock of more then half the property transactions. Share prices might have fallen but the economy keeps expanding.
There have been some casual-

ties. Manufacturers Hanover has stopped converting the Adelphi building behind the Strand into a new headquarters. Other tenants have also deferred major decisions on office premises until the winter is over, according to agents Debenham Tewson &

But the continued diversified demand - particularly for flag-

Looking for offices in Victoria?

For a copy of our

comprehensive register of

available offices contact

Portmans 01 225 3991

brought expansion to a halt last and tight controls on supply autumn, however, the West Rnd was far more insulated against the fall-out. Financial interest has fallen from a quarter of the total West Rnd take-up to about 16 per cent, but this has to be set Richard Ellis. The Government and tight controls on supply and supply such as pushing occupiers right out of the West End. Oil companies such as Phillips and Esso have almost as much was taken up or total West Rnd take-up to about the face of rising costs.

This boom in curso could start the West End. Oil companies such as Phillips and Esso have almost as much was taken up or total West End take-up to about the face of rising costs.

Richard Ellis. The Government and tight controls on supply pushing occupiers right out of the West End. Oil companies almost as much was taken up or in the face of rising costs.

Proposals by Grainhurst for Paddington goods yard and companies and tight controls on supply pushing occupiers right out of the West End. Oil companies almost as much was taken up or in the face of rising costs. was one of the biggest customers, taking a fifth of the lettings, while finance groups were thwarted by a lack of big buildings rather than the stock market downturn.

Tenants saw the way the wind was blowing and got in quickly. Some 22 per cent of the take-up was in pre-lets, so the 1.8m sq ft coming out of the ground now is in effect reduced to some 1m sq ft of available space — around half the amount a year ago. And only 15 per cent of this is ready for ation today.

All the factors were there for a rents explosion, and values duly responded with a 50 per cent hike over the year. The same factors m set to continue in 1988 in spite of the nervous stock mar-

> "We see some 3.5m sq ft of named inquiries for space over the next two or three years, but this is only about two-thirds of the real demand if buildings were the real demand i dundings were there to be had," says Mr Philip Dawe of Richard Ellis. "Take up would have been even higher last year if space had been available." With supply limited to about the same level as 1987, rents should rise by around 20 per cent, producing a range from £50 a sq ft in Mayfair to £35 in Soho,

peting consortiums of developers with plans for some 500,000 sq ft of offices in a mixed scheme on the canal basin might stand to

**Demand for flagship** offices in prime districts keeps pressure for space high

benefit. Conoco has never con-firmed its interest in the area but On the other hand, there may be a counter-current of companies finding the climate a little

too rarefied after much publi-cised moves out-of-town. Blue Circle has already decided to Developers is expecting heavy

areas, creating a ghetto effect Hodnett Martin.

But the change in page 1

MAYFAIR AND St James's have always been the cream of the West End market. "They are like a two-horse race," says Mr Mich-ael Fraser, of agents Conway Relf, "with one constantly nudg-ing ahead of the other in rental

Currently, Mayfair has more to test the market, with Lansdowne House on Berkeley Square and London & Edinburgh Trust's Nightingale House ready to set rent records. If the asking levels are achieved, St James's values will be pulled up with them; par-ticularly with the growing short-age of smaller suites for tradi-tional users as owners redsvelop multi-let buildings. Rents hit \$42.50 in St James's

st year and Mr Fraser will be looking for more on the 4,200 sq ft being developed by MGM But larger buildings are also at a premium. It is bard to find

space for new ones but Hunting Gate deal. Meanwhile, City Merchant

Circle has already decided to ahandon its purpose-built head-quarters in Berkshire and move a small headquarters staff back to its old home in Stag Place, Victoria.

More companies may move in Mayfair last year by pre-leasing its new King Street headquarters back from the fringes towards for more than \$40 a sq ft. By the central London if the economy starts to falter, according to Baker Lorenz. "They may well field in Brook Street and Lloyds feel out on a limb and wish to business according to Julian Hodnett of

01-630 9421

Telephone: 0(-486 US2

owners GRE aim to capitalise on Artillery Row.

the decline in supply to less than 1 per cent of the area's stock. Some 700,000 sq ft is on line for completion this year but only one or two more big blocks need to go to reduce the figures considera-

ing ground of big companies. The starting to look like a new Victoria Street ria as demand spills outwards show how developers were able to find space before the 1974

The difference is that this is a of the office space in Jubilee mixed use area where new space repeat itself as the market turns comes mainly from refurbish for the equivalent of 137 a sq ft. Surplus space which kept rents

low has now gone. Salomon Brothers and Fred Olsen are understand to have achieved £37 a sq ft on sub-lets in Victoria Plaza over the station. Not bad, considering that Salomon paid Greycoat and Norwich Union less than £20 a sq fi for the 200,000 sq ft development a couple of years

ago.
The Department of Trade and Industry seems to have got itself a bargain by taking a pre-let on half the 359,000 sq ft second phase at £26 a sq ft, although it

ing in St James's Street, where Lazard Property Unit Trust in let last summer to Logica for The financial groups may fade

from the scene, but as Mayfair boils over, Victoria is proving a focus for a wider range of tenor two more high blocks need to go ants. About Im so ft of new space is in the pipeline but half of this is pre-let or reserved, so pressure will stay high into the 1990 will stay high into the 1990 the pressure the years to Victoria as the hunting ground of hig companies.

> nent of buildings. Changes in the planning use ment of buildings.
>
> Changes in the planning use signed with Extel for the space last March—which itself was a to offer many of these buildings for offices, which could help hig landlords such as Great Portland Street and Priest Marians. But family trusts such as the Howard of Welden Feteta help graphs.

the ground. stely higher here than anywhere else in the West End because

OI-499 8931

areas in the early part of 1988,"
says Mr Kenneth Cohen of agents
D E & J Levy.
In Berkeley Street, demand for

Nikko Securities and Bank of expects rents of 242.50 this year. refurbished space being produced
Boston moving into Victoria
by Trafalgar House and the
Street. Agents: De Groot Collis,
Church Commissioners is so high
that the £47.50 quoting rent is
being left behind, according to
Debenham Tewson & Chinnocks.
Asking levels have already hit
asq ft for 14.500 sq ft being develcontrol of the street of Wh

more than £20 a sq ft.

Banks started piling into the
Strand as soon as they realised
they could not find what they wanted in the City of London. Second thoughts by Manufacturers Hanover on converting the Adelphi may indicate a luli, but Greycoat's planned 350,000 so ft redevelopment over Charing Cross Station should still pull in

de Walden Estate have such a firms is keeping the pot boiling hold on the zone that they will and rents should hit £44 this determine how much new devel-year. Soho is feeling a similar ment is likely to come out of pressure as Westminster Counthe ground. cil's clean-up campaign reaps Rents have grown proportion rewards, although values still lag

David Lawson

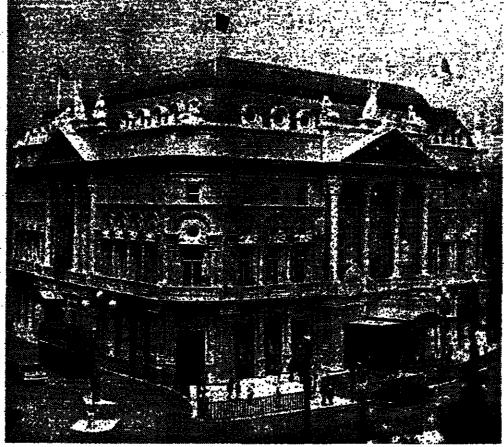
3 1 2 1 Sept.



The same of the sa

## WEST END AND VICTORIA 5







The retail sector is booming with record rents and premiums being regularly broken

## When it comes to retailing, these are the places to be

THE CONTINUING consumer boom, fuelled by an improving economic situation and readily available credit, has resulted in THE CONTINUING consumer shop, which was won by Jean boom, fuelled by an improving economic altuation and readily (based on 30ft in Zone A> expualable credit, has resulted in increasing demand for prime shop accommodation throughout Central London. Even Black on the former Barclays Bank unit Monday has yet to take a toll on the booming retail sector.
THE WEST END

After some years of doubt, the past 12 months has reconfirmed the West End as Europe's premier retail area. Demand is running higher than ever before and. says the Hillier Parker Investors renewals. As a result high premi-Chronicle Rent Index, Central ums almost entirely made up of London retail rents are growing key money have been paid on at almost 30 per cent a year. assignments even with rent Record rents and premiums are reviews imminent.

regularly being broken.

At the heart of the West End's success is, of course, Oxford Street with its prime pitch to the Oxford Street and Swallow Place west of Oxford Circus. Just a year ago Healey & Baker and Bernard Thorpe let a Neale carried a passing reint of £138,000 House/CIS redevelopment at a year, reviewed in the March to 472-474 Oxford Street to Peter over £220,000 a year. Lord, H Samuel and Bally Shoes

coming onto the market, it was

difficult to prove otherwise.
In February this year, however, the level was more than jusever, the level was more than justified when the old Everon shop at the corner of Gilbert Street was let by the Grosvenor Estate.

More than 12 retailers bid for the 1980s it resembled an oriental

at 449451 Oxford Street, Market rumour has it that the shop has been let to Laura Ashley at about

on Property Corporation, offers an innovative style in shopping centres

£340 a sq ft (Zone A).

Rents on existing units have been at a discount because of the lack of evidence to justify large increases at reviews or lease

back in February 1987, Sock Shop paid \$440,800 for the lease which

Later in 1987 massive new preequating to 2275 a sq ft in Zone
A. the time many people lease on 356 Oxford Street thought the figure was too high months before the rent was to be and, with few other new units reviewed. A similar price is believed to have been paid by Sock Shop for the old Lady Lisa unit at 435-437 Oxford Street.

fashion clothing and tourist "tat" spilling their wares out onto the pavement. Vast improvements have been made since then.
Those shops are still there, but in
fawer — and declining — num-bers as unsatisfied demand for western Oxford Street is pushed east.

also been on the up and up. Rents in the best pitches on the east side of Regent Street, close to Oxford Circus, have moved to Oxford Circus, have moved towards £150 a sq ft in Zone A. At the same time physical improvements to both Argyll Street and Peachey's Carnaby Street have led to growth in demand for these two streets as well.

Meanwhile, in the better parts of Piccadilly rents are touching £100 a ca ft in Zone A. Throngol.

£190 a sq ft in Zone A. Throughout the West End premiums of £250,000 have regularly been

achieved.

There is little evidence to sug-Central London has been serimarket slump. Even Bond Street and South Molton Street, which many people feared would be among the first hit by redundan-cies and reduced fortunes among to the Trocadero, the Centre at wealthy shoppers, have yet to

Healey & Baker recently let boost to the existing centres to the existing centres. Clengate's redevelopment of the Bournes store to create the Co, to Ciro Pearls at a record rent. equating to over £200 a sq ft (Zone A). A similar figure has

months for economic changes to work their way through to the retail sector and much will Golden Rifle, Knickerbox and, depend on London's tourist success this year. A combination of the delay in opening the base the stock market's problems and a had tourist year could check the current retail property boom.

And the current retail property boom.

the shump.

At least one Oxford Street
lease currently on the market at premium of over £1m is rumoured to be finding few takers and this trend will work its way down through the West End's retail hierarchy over the sare done.

Lest year Healey & Raker

developments have been undertaken on any scale in Central toric and many commentators

London and, for the most part, believe that £100 could be they have yet to fulfil their true achieved if a unit was now avail-

Among the earliest schemes to

Trocadero at Piccadilly Circus.

Both were launched at a bad time
in the Central London retail mar290,000. ket and, as a result, had a shaky start, although they have improved considerably since. With such a tight market the success of Victoria Place, Heron's new shopping scheme above Vicimproved considerably since.

The Trocadero's new owners, Brent Walker, paid £90m for the development and an adjoining site in September 1987. They now have plans for more retail and leistors and the Victoria Flaza office development that scheme, seemed cartain to have difficult.

The redevelopment of the for-mer Swan & Edgar store to create the Centre at the Circus also had a fairly slow start. Most of the space was eventually taken by Tower Records, which is trading very successfully, as are the four unit shops with Regent Street frontages. However, the units at the underground station level some have already changed

Also at Piccadilly Circus, Grosvenor Square Properties and Ken-nedy Brookes' London Pavilion may prove the making of the whole area. The £20m multi-level speciality and leisure scheme, which has been funded by Security & Pacific, comprises 29 small shop units, restaurants and "The Rock Circus", a new Tussaud Group venture.

Letting agents, Edward Erd-man and Anthony Green & Spen-cer report great interest in the skops, with more than 80 per cent already in solicitors' hands for the likes of Scribbler, Body Shop, Shop and the French fashion chain Naf-Naf. The Pavilion will complete the

the Circus and the underground station. It should prove a great boost to the existing centres.

Plaza on Oxford Street is another scheme which has had problems. The scheme, which is anchored by W H Smith's only Oxford Street store and the Reject Shop, has attracted good quality fashion retailers including Warehouse, Pied a Terre, Ton Sur Ton, Colden Piela Rejektshor and

a had tourist year could check the current retail property boom. Most commentators are confident that overseas vistors will be out in force, but are keeping a close eye on the weak US dollar.

Whatever happens, the top premiums achieved in the last year are unlikely to be repeated. Lettings will provide plenty of evidence for substantial rental increases at reviews in most west End streets, pushing some retailers out altogether. Other retailers, with longer periods in the West End, but they need careful targetting. There are a few others currently more enclosed shopping centres in the West End, but they need careful targetting. There are a few others currently in the pipeline, including Neale House/CIS' Bond Street Arcade which following a long and troubled planning history is at appeal again and Bredero/Crown Estate's plans for a 70,000 sq ft speciality centre at 172-186 Regent Street. Neither will be in business until well into the lasts one Oxford Street when it comes to retailing, prime Victoria is undoubtedly victoria place between the sta-

The last few years have seen a number of enclosed shopping centres developed in the West End It is the first time that such than £76 a sq ft (Zone A). This relet it to Next at a rent of more than £70 a sq ft (Zone A). This figure is already considered his-

able.
With new teases a rarity premiums have also increased Hilget under way were the WI Cen-tre at Bond Street and the ESN's Her Parker and Chesterton, for

But of the 22 units, food court, restaurant and pub developed by Heron all but one unit and the pub was pre-let to quality fashion orientated tenants at rents of up to \$70 a sq ft (Zone A). In fact, demand has been so good that the developers, agents Edward Erdman Lunson Mitchenall, have found that they can rent out two

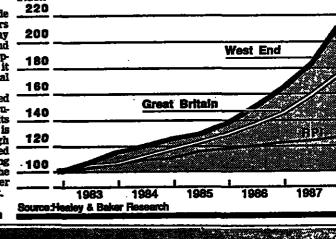
broom cupboards as shops.

The scheme also incorporates
British Caledonian's check in area, British Rail's Gatwick-Express terminal and provides access from the station to a new taxi rank area. At mezzanine level is London's

first food court, which is being run by Trusthouse Forte and is already proving a major draw for the scheme. The restaurant unit

has been taken by Garfunkels and the pub is under offer to Greene King.
Victoria Place draws on a wide range of potential shoppers including those using the railway station or the coach station and the enormous daytime office pop-ulation. Also, to a lesser extent, it serves the small local residential

to keep unit 19 for its dwn occu-pation, but has since changed its mind and the 1,634 sq ft shop is now on the market through Healey & Baker, which advised British Rail throughout. Trading on the success of the rest of the scheme, rental offers of over £80,000 a year are being sought.



Our West End agency takes an experienced local view. Then adds a global perspective.

Looking for advice on rent reviews, lease renewals or valuations?

For a comprehensive property service contact

Portmanse 01 225 3991

12 - 18**GROSVENOR GARDENS Air Conditioned Offices** ToLet 6,875 · 7,950 · 14,825 Square fort With Car Parking Contact: Richard Rose GOOW CEHOL Tel: 01-629 9050 Fee: 01-493 9815

#### **CHESTERTON** IS CHANGING

Our local on-the-ground coverage is authoritative. Progressive. And expanding. And what makes the service even more impressive?

Chesterton's national and international network of offices can be used to back up the decisions we make and the advice we offer right here in the heart of London.

in the commercial property market, the challenges and opportunities are fast-developing. At Chesterton, we're changing to meet them.

Chesterton

54 Brook St. London W1B 2BU. Telephone: 01-499 0404.

## **Battle of principle** over converting offices to homes

minster, has determined ideas management the council is fight displaced businesses left the area, about the management of his ing for a switch-back to housing. But talks have dragged on for inheritance. The Grosvenor more than 300 years ago when "a place of vice and impurities"

Changes in the balance of land use tend to be considered with the estate trustees on the same generations-long scale that applies to agricultural holdings spread half-way across the world. spread half-way across the world.

Grosvenor's tenants look to their as businesses moved in," says Mr andlord for protection and sup-

the new Mayfair. And with a charter that dates back a good 70 ity."
years before the Grosvenors Westminster planners, however, they show no sign of feeling any fears of residents' groups that less able to speak across generathis could be the thin end of the tions. Westminster's residents

Terry Burcombe, managing direc-tor of the Grosvenor Mayfair Westminster city councillors Estate. "The bombing merely have equally determined - if different - ideas about the shape of needs business as a land use balance to sustain its unique vital-

made their West End conquest, are paying more attention to the wedge, with offices taking over look to their elected represents-tives for protection and support. town after working hours. They

venor, the Sixth Duke of West- part of their long-term estate did not add up. And not all the

The problem originated after three years with only 11 cases Estate has been around for a long the last war, when temporary sorted out. A recent Chamber of time, springing from William the permits were granted to use the Commerce report on Westminster Conqueror and reaching London homes for offices to help found that more than 150 busimore than 300 years ago when "a bombed-out businesses. The first nesses in these and other threatbatch of permits ran out in 1971 ened buildings were living under known as May Fair came into the and buildings unsuitable for con- a cloud of uncertainty as the family.

version back to homes were deadline approached. Agents given an extension to 1990. Since Fuller Peiser stated haldly that then, residential prices have there was no way the outstand-soared, so conversions appear ing disputes could be sorted out

proposed a peace treaty with planners over the 14 buildings owned by BP Pension Fund threatened with loss of business planning application to split land use, so half the space remains in office use and the rest converts back to homes.

"We think we can possibly justify a similar mix," says Mr Burcombe, so Grosvenor may yet take the same path towards

This highly charged clash of are mindful that Mayfair's popuwills involves a mere 85 buildings lation has declined by a third out of 1,000 on the Grosvenor since the war.

Estate. They are not even the grandest ones, having been ning director, points out that not largely rebuilt in this century. The battle is one of principle. The change More than a third of the trustees want to maintain and first batch remained as offices take the same path towards take the same path towards are mindful that Mayfair's popuwice.

One major fly remains embedded in the gintment, however. All the BP tenants' leases end in 1990, so the landlord has the whip hand. Many of Grosvenor's go that the same path towards are mindful that Mayfair's popuwice.

"We can't guarantee a residential conversion in these cases, he says. The tenant may want to continue business use. Each tenant has the right to

apply on its own - just as prop-erty group MEPC is doing on its Brook House headquarters - and may win its case after appealing

> out for a block planning application to settle this long-standing to modern offices and new flats war, skirmishing is still going on behind the scenes to win the straoffice block in Aldford Street has



to the Environment Secretary from the detailed costings, money against planning refusal.

A key part of MEPC's argument rests on the financial viabil-ity of conversion. Advisers Mon-these buildings as homes rather tagn Evans argued at the public than as offices," says Mr Burinquiry that the Park Lane build combe. "We just don't like 'tining would be left empty because kering with the balance of land the cost of re-creating homes use."

He argues that Grosvenor is

way Westminster calculates Mayfair, but in the context of bal-

saying homes can be re-created ing architecture and including much more cheaply, even though eight flats. Two of the blocks to it sets the final value at the same market level as the owners. Mr pute over temporary permits, Burcombe suspects that West-although Grosvenor believes they minster is working on the 30-year cann life set for public housing, and home points out that quality is a vital Ot factor in Mayfair prices. So while tentative feelers go

tegic high spots in any appeals to just come on the market after the Government.

Not that the Duke and his trustees want a continuation of hostilitles with a council with which they have such close and itenants will be hoping that the historic links. But the message comes through strongly that the long-term good of the estate and its tenants comes first. Apart

is rarely mentioned.
"We have no idea what the dif

Grosvenor is also disputing the already promoting new homes in anced development. For instance, the area is desperately short of up to 50 per cent less than ours," says Mr Burcombe.

In other words, the council is saying homes can be recreated. be replaced are part of the discannot viably be converted to

> under way, such as two develop ments in Grosvenor Street where historic blocks have been turned

This shows that the small bat tles between planners and land lords can be settled. Many small

The developers

## Reaping the benefits of a boom in rents

IF 1987 was the year of the property traders, this year will see building and there was keen West End owners and developers Henderson. est property company, will benefit more than most, particularly
in Victoria, since it is probably
the higgest landlord in the area.
Among more than 3m sq ft of
business and shopping space, its
holdings read like a property
Who's Who: New Scotland Yard.
The Home Office Westminster are not stone in reaning this har-

are among the best known.
But under the recently rejuve nated management, it also has a strong development programme to supplement the rent collecting role, with something like 350,000 so it of planning permissions and more in the pipeline.

Much is concentrated around Stag Place, where a spectacular redevelopment of Eland House designed by Richard Horden has been unveiled. But the existing buildings are already reaping rewards, with recent lettings showing rent increases approach-

ing 100 per cent over last year.
"Victoria office rents havetended to be undervalued," says Mr Ian Henderson, a Land Secu-rities director. The increases reflected the emergence of Victoria as a key office location and central West End demand spilling into the area.

"We were fortunate in being slightly ahead of this trend and last year bought in the head leases on two key buildings -Portland House and Carrier House in Stag Place - where we already own the freeholds."

Rents are now topping £32 a so ft, such as Gruner & Jahr's lease on 11,000 sq ft of Portland House for £330,000 a year. In Carrier House, six of the nine floors have been let at rents from £21 to £32 a

been let at rents from £21 to £32 a sq ft on short leases outside the Landlord and Tenant Act.

Land Securities also has 1.5m sq ft of space in Westminster, including more than 350,000 sq ft of shops, restaurants and banks—and the famous Piccadilly lights and advertising signs. The lights and advertising signs. The big Oxford Street shops are turning in record rents because of the retail boom, while the demand for offices is reflected in the turnaround of Devonshire House, Land Securities' 150,000 sq ft flagship block.

Only a couple of years ago the building had to be multi-let at rents of around £22 a sq ft. By last summer that had climbed to almost £40 a sq ft and the latest deal with US architects Skidmore Owings and Merrill reached an equated level of £45.

the Reme Office, Westminster are not alone in reaping this har-Hall and Esso and Mobil Houses vest. Sheraton Securities has are among the best known. doubled its West End portfolio in

The emergence of Victoria as a key office location

the last year. It has started developing or acquired 275,000 sq ft of office space including 125,000 sq ft planned for development over

worth more than £25m. In the longer term, planning permission has been sought for 70,000 sq ft of offices further out of the central area on the former British Home Stores headquarters at Enford House in Marylebone Road.

spread its interests from the rewards flowing strongly towards interest for the space," says Mr familiar field of high tech schemes outside London, it sees a as they cash in on booming rents. Top rents were also achieved strong future in the West End for Land Securities, Britain's large for Queens House, a 12,500 sq ft both small and large headquarest property company, will benebuilding which exploited the ters offices, providing the buildings are produced to the highest standard

C

Typical of the opportunistic West End property investment and trading groups is Derwent Valley Holdings, which was transformed during the bull marhet from a railway line operator into a high-flying stock market performer. Its role was to snap up undervalued property such as 37,500 so ft in Allington Street, or companies like Colebrook and Wilmar, with their West End development opportunities.

Such deals helped double Der-went's net asset value and tripled the share price until Black Monday, as backers were confident of the ability to squeeze extra returns by active management of the properties.

recange will not be so easy for these companies in 1988, with literature includes an 80,000 sq ft the recourse to floating shares to refurbishment of eight buildings in Sackville Street which will be worth more than 625m (1-1) changes in the use classes order. which will allow its mixed-use properties to be converted into higher-value business premises.

David Lawson



## he proposed redevelopment at 106-114 Park Street, in Maylair 123 PALL MALL · LONDON SW1 A New **Development Providing** 22,000 sq.ft. of **Air-Conditioned Offices** with Private Car Parking Possession Early 1989 DE & J LEVY Walker Son & Packman 01-493 2142

A RARE OPPORTUNITY



SHOP TO LET

Gross Frontage: 28 ft. Ground Floor: 1850sq.ft. Basement; 1430sq.ft.



**Edward** 01 629 8191



Surveyors 01 629 2102

## Single Office Floor

TO BE LET W.1.

6,400 sq ft Car Parking Air Conditioning Commissionaire

Immediate Possession Low Outgoings EDWARD CHARLES & PARTNERS

Telephone 01-935 2811. Fax 01-487 3092

#### ST JAMES'S STREET SW1

Refurbished self contained headquarters building 2,900 sq. ft. Lift/Air conditioning/Board-Dining Room

FOR SALE or TO LET HILBERY CHAPLIN

Chartered Surveyors Tel:- 01-493 5421

A development by Ormington Limited

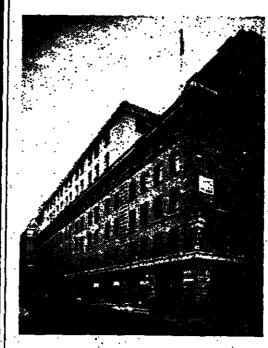
NEW OFFICES TO LET FOR ONLY £8.00 PER SQ.FT. Up to 12,500 sq.ft. North London

For further details apply to:





**Knight Frank** & Rutley



**46 BERKELEY STREET** MAYFAIR, W1

Fully Refurbished air-conditioned offices on one floor

9 or 12,500/21,500 sq. ft. TO LET

New 9 year lease

20 Hanover Square 01-629 8171 London W1R 0AH Telex: 265384

#### **Property Along** the M4

The Financial Times proposes to publish a Survey on the above on Friday April 8th

For a full editorial synopsis and details, of available advertisement positions, please contact: Jonathan Wallis on 01-248-8000 ext 4196 or write to him at:

> Bracken House, 10 Camon Street London EC4P 4BY.

EUROPE'S BUSINESS NEWSPAPER